



THE HOPE VI PROGRAM—WHAT ABOUT THE RESIDENTS?

While much has been written about the impact of welfare reform on the lives of former recipients, until now little has been known about the impact of the dramatic shift in public housing policy on the lives of residents.

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during the 1990s, the federal government dramatically changed its policy for housing the poor. Under the new approach, embodied in the \$5 billion HOPE VI program begun in 1992, the Department of Housing and Urban Development moved away from providing project-based assistance for poor families and started promoting mixed-income housing and the use of housing subsidies to prevent the concentration of troubled, low-income households.

The philosophy behind the shift was similar to that driving the new approach to welfare reform a few years later. Both reforms sought to promote self-sufficiency among recipients—one by emphasizing jobs over welfare checks; the other by encouraging families to move to better, safer neighborhoods that might offer greater economic opportunities. In both cases, recipients were given supportive services to help them achieve self-sufficiency, and the two populations largely overlapped.

While much has been written about the impact of welfare reform on the lives of former recipients, until now little has been known about the impact of the dramatic shift in housing policy on the lives of those in the original dilapidated public housing developments.

In the decade since HOPE VI began, what has happened to residents of the troubled developments slated for demolition—among the most beleaguered housing in the nation? Have these people found and kept better housing in more mixed-income neighborhoods? Are the children who left the projects safer and healthier, the adults more self-sufficient? Did the services offered meet the challenges?

To answer these and other questions, the Urban Institute and its partner, Abt Associates, conducted the first systematic, multi-city studies of HOPE VI's impact on original residents. One study is tracking the living conditions and well-being of residents from five developments who were surveyed as revitalization began in mid- to late 2001. Another study provides a snapshot of the living conditions and well-being of former residents of eight properties in early 2001—between two and seven years after the housing authority received a HOPE VI grant. This brief presents the findings from those studies and discusses their policy implications.

SUMMARY OF FINDINGS

The studies paint a mixed picture, but on balance the story is generally positive. Many former residents now live in better housing in less poor neighborhoods. But evidence also indicates that a substantial proportion of families are struggling to find housing in the private market and that a large number face serious barriers to making the transition out of dilapidated public housing and to self-sufficiency. To ensure that residents do not end up at risk of returning to poor distressed neighborhoods, the findings from these studies suggest, the HOPE VI program will need to take some new directions and deliver more comprehensive services that, while costly, are key to realizing the program's full potential for improving the lives of low-income families.



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FROM HOUSING FAILURE TO HOPE VI

To grasp the enormity of the task facing HOPE VI housing authorities, consider first the extent of the deterioration in the worst of the nation's public housing.

By the 1990s, public housing was widely regarded as a failure, trapping tens of thousands of extremely low-income families in communities mired in the most destructive kind of poverty. Many developments were literally crumbling and plagued by drug trafficking and violent crime. Residents lived in constant fear. As a mother from the Ida Wells Homes in Chicago put it, "A lot of times, you be in the house, your kids outside, and you hear gunshots and you drop everything and you run to make sure it's not your child." With poverty and unemployment came high rates of school dropout, illiteracy, and teen pregnancy.

Created by Congress in 1992, the HOPE VI program was designed to move beyond bricks and mortar to address the social and economic needs of the residents in these developments and the health of their surrounding neighborhood. This extremely ambitious strategy targets the worst public housing in the nation's developments—among them, the Ida Wells Homes in Chicago—with problems too ingrained to yield to standard rehabilitation efforts.

The program's major objectives are:

- to improve the living environment for residents of severely distressed public housing by demolishing, rehabilitating, reconfiguring, or replacing obsolete projects in part or whole;
- to revitalize the sites of public housing projects and help improve the surrounding neighborhood;
- to provide housing in ways that avoid or decrease the concentration of very low-income families; and
- to build sustainable communities.

Between 1993 and 2001, HUD funded 165 HOPE VI revitalization grants, earmarking \$4.5 billion for redevelopment and supportive services activities. In addition, HUD awarded housing authorities nationwide 35 planning grants totalling \$14 million, and \$293 million for demolition. Housing authorities that receive HOPE VI grants must develop supportive services to help both original and new residents attain self-sufficiency. HUD estimates that thanks to these grants some 71,900 units of distressed public housing will be demolished (of which about 50,000 were occupied) and about 42,000 housing units will be replaced. These funds will also support construction of 15,000 homeownership units, "affordable units" for the working poor, and market-rate units.

Residents living in these developments are given four basic options:

- pass the screening for the limited number of public housing units in the new development;
- use a housing choice (Section 8) voucher to move into the private market. (Under the federal voucher program, residents pay up to 40 percent of their income for rent and the voucher covers the rest);
- move to a different public housing unit, if one is available; or
- leave assisted housing altogether.

This shift away from project-based assistance took place just as the rental market tightened in many cities and the shortage of affordable housing became acute. By 2002, a minimum-wage worker could not afford to rent a standard two-bedroom unit in any U.S. city. Under ideal circumstances, vouchers could help bridge this gap and offer low-income people a real choice of housing and neighborhood. But, in tight rental markets, landlords in better neighborhoods often do not want to accept voucher holders and recipients could end up once more clustered in poor communities.

As with welfare reform, the HOPE VI program has the potential to improve former residents' lives, but it also can put vulnerable families at significant risk. Some could move to better apartments in less distressed neighborhoods, but others might find themselves struggling to find adequate, stable housing.

We found evidence for both scenarios.

BETTER HOUSING, SAFER NEIGHBORHOODS

Residents living in HOPE VI sites before they were redeveloped reported to us in our baseline study that they faced terrible conditions—worse than those reported by other poor renters nationwide. About one-third report two or three housing problems (e.g., peeling paint, water leaks) and one-fifth report more than three problems.

In the census tracts where these developments are located, poverty rates exceed 40 percent. Residents describe these neighborhoods as extremely dangerous: about three-quarters say that drug trafficking and criminal activity is serious in their projects and two-thirds report living with shootings and violence.

Families that left the projects describe better housing in safer neighborhoods. Nearly two-thirds (63 percent) report that their housing unit is in good or excellent condition, and most (85 percent) say that their new unit is in the same or better condition as their original public housing unit. Most who left HOPE VI developments say that their new neighborhoods are less poor. While these new neighborhoods are safer too, about 40 percent still report serious problems with gangs and drug trafficking.

ONE RESIDENT'S STRUGGLE

"I'm scared, I'm not going to leave my kids here by themselves"

Irene lives in Washington, D.C.'s East Capitol Dwellings with her five children. Irene's oldest son suffers from severe asthma, which flares up during the summer. Two of her other children also suffer from serious health problems. Despite their problems, Irene says her children excel in school.

Until recently, she was employed as a food service worker for a local hotel and university. She stopped working when she moved to East Capitol because the extremely dangerous area makes her afraid to leave her children home alone. Irene discovered a dead man's body in her complex the day she moved into her apartment. "When I first moved around here there was a man over there dead. They've found bodies over there dead. That's the reason why I don't let my kids go out. If they do go out, we go out of the neighborhood and we'll be back here before dark." Irene says the development is plagued with drug dealing and violent crime. She says young men hang around the development, argue, fight, and sell drugs at all hours of the day and night. "If I was working I wouldn't have [money] problems, but by me living here in this neighborhood, I'm scared. I'm not going to leave my kids here by themselves. So if we have to struggle a little bit to make it better for us, I don't mind doing it."

MULTIPLE, SERIOUS BARRIERS TO SELF-SUFFICIENCY

Not all residents will be this fortunate. Many HOPE VI families waiting to relocate have physical and mental health problems, histories of domestic violence or substance abuse, criminal records, or poor credit histories. These problems create severe barriers to a successful housing transition. More than one-third of adult respondents report having a chronic illness or health condition, such as high blood pressure, diabetes, or arthritis. Further, more than one-fifth of adults have asthma. The situation for older adults is particularly severe, with just 10 percent reporting good or excellent health, compared with 39 percent for all adults over 65 nationally.

Mental health problems are widespread. Nearly one in three respondents (29 percent) reports poor mental health, almost 50 percent higher than the national average. Further, nearly one in six adults has experienced a major depressive episode within the past 12 months.

HOPE VI children are also in worse health than other children their age. One in five children age 6 to 14 has asthma; the figure for younger children is one in four, more than three times the national average. Parental reports about children's behavior suggest that mental health is also an issue for these kids. About two-thirds of older children (age 6 to 14) have one or more reported behavior problems; about half have two or more.

Highlighting the impact of these barriers, fewer than half of the respondents were employed prior to relocation. These residents cited health problems and a lack of adequate child care as major barriers to employment, along with caring for sick family members, suffering from extreme fear and anxiety, and looking unsuccessfully for work.

HOUSING INSTABILITY IN THE PRIVATE MARKET

Even among those who have moved to new neighborhoods, a substantial proportion are struggling to meet basic needs that previously were covered in public housing. Overall, 40 percent of the respondents that have been relocated to new neighborhoods report problems paying rent and utilities, and about half are having difficulty affording enough food.

Former residents who now live in private market housing face the most serious challenges because they now must assume larger out-of-pocket costs. Fifty-nine percent of voucher users say they have had difficulty paying rent or utilities in the past year, as do 52 percent of households that receive no housing assistance. Further, unsubsidized households are more likely than public housing residents or voucher users to report doubling up with other families (13 versus 4 percent) and moving multiple times since relocating.

Finally, in sites with tight rental markets or where demolition far outpaces the production of new units, many former residents have ended up in other distressed communities.

THE FUTURE OF HOPE VI

These findings suggest the need for strong supportive services to help more families live in better housing and become more self-sufficient, as well as alternative approaches to ensure that all former residents are adequately housed.

Supportive Services. Supportive and relocation services must be more comprehensive and include effective case management. Service packages that emphasize only employment will not meet the special needs of residents with physical and mental health problems, disabilities, or such complex problems as domestic violence, substance abuse, members with criminal records, and poor credit histories. Further, housing authorities must pay special attention to older adults



HOPE VI PANEL STUDY: BASELINE REPORT

Susan J. Popkin, Diane K. Levy, Laura E. Harris, Jennifer Comey, Mary K. Cunningham, Larry F. Buron. Washington, D.C.: The Urban Institute.

Tracks the living conditions and well-being of residents from five developments where revitalization activities began in mid- to late 2001.

Study Sites

- Shore Park/Shore Terrace, Atlantic City, NJ
- Ida B. Wells Homes/Wells Extension/Madden Park Homes, Chicago, IL
- Few Gardens, Durham, NC
- Easter Hill, Richmond, CA
- East Capitol Dwellings, Washington, D.C.

Methods

- Baseline resident survey of sample of 887 heads of households across the five sites during summer 2001. Follow-up surveys at 24 and 48 months after baseline.
- In-depth interviews with 39 mother-child dyads with follow-up at 24 and 48 months after baseline.
- Analysis of administrative data and comparisons to other similar populations.

Funded by the U.S. Department of Housing and Urban Development, the John D. and Catherine T. MacArthur Foundation, the Annie E. Casey Foundation, the Rockefeller Foundation, the Fannie Mae Foundation, the Ford Foundation, and the Chicago Community Trust.

HOPE VI RESIDENT TRACKING STUDY

Larry F. Buron, Susan J. Popkin, Diane K. Levy, Laura E. Harris, Jill Khadduri. Washington, D.C.: The Urban Institute.

Provides a snapshot of the living conditions and well-being of former residents of eight properties as of the spring of 2001—between two and seven years after the housing authority was awarded a HOPE VI grant.

Study Sites

- Quigg-Newton Homes, Denver, CO
- John Jay Homes, Springfield, IL
- Archbishop Walsh Homes, Newark, NJ
- Hayes Valley, San Francisco, CA
- Edwin Corning Homes, Albany, NY
- Christopher Columbus Homes, Paterson, NJ
- Cotter and Lang Homes, Louisville, KY
- Connie Chambers Homes, Tucson, AZ

Methods

- Survey of 818 (approximately 100 per site) residents that lived in the study developments at the time of the HOPE VI award.
- In-depth interviews with 24 former residents.

Funded by the U.S. Department of Housing and Urban Development.

Both reports are available online at www.urban.org or through the Urban Institute Public Affairs Office, 202-261-5709 or paffairs@ui.urban.org.

during relocation, particularly custodial grandparents or those living in multi-generation households; many of them are frail, disabled, or socially dependent on other residents for their care.

Vouchers Are Not the Solution for All Residents. Housing choice vouchers offer residents choice, but place some at risk of frequent disruptive moves. In particular, former residents that have weak credit histories or complex family problems are at a disadvantage in the private market, where landlords' rules may be more restrictive than those in public housing.

Housing authorities should help families make a replacement housing choice that works best for their household and also ensure that there are effective case management and follow-up services for former residents with multiple risk factors. For example, families with large households are unlikely to find apartments in the private market large enough to meet their needs. These families should be counseled to explore the other available options. Credit counseling and budget management services should be offered to all residents that opt for vouchers. Finally, to prevent former residents from becoming clustered in poor communities, housing authorities should work with landlords to dispel myths about both the voucher program and its participants. They should also offer clients information about a range of neighborhoods where they can look for housing.

Alternative Approaches for the "Hard to House." Residents that face multiple, complex problems may not be able to make a transition to either private or new, mixed-income housing. Public housing has served as the housing of last resort for America's poorest for the past two decades. A substantial proportion of those still living in distressed developments are literally one step away from becoming homeless—and may become so if relocated to the private market. Policymakers need to consider more comprehensive approaches, such as supportive or transitional housing, for these hard-to-house families. These services are costly, complicated, and require careful coordination but without these services HOPE VI is unlikely to realize its potential as a powerful force for improving the lives of low-income families.

The views expressed are those of the author and do not necessarily reflect those of the Institute, its trustees, or its sponsors.

**The first systematic
studies of the impact
of HOPE VI on residents
reveal mixed success.**



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CREDITS:

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