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The Honorable Maxine Waters, Chairwoman
House Committee on Financial Services
Subcommittee on Housing and Community Opportunity
2128 Rayburn House Office Building
Washington, DC 20515

RE: Testimony of Thomas D Boston, Prof. of Economics, Georgia Institute of Technology,
Atlanta, GA. 30332

To Honorable Chairwoman Maxine Waters and the Members of the House Subcommittee on Housing and Community Opportunity, I am deeply honored to have been asked to share my research findings with this distinguished Subcommittee. One of the most important challenges our nation faces is the pressing need to provide quality affordable housing to low-income families.

Honorable Chairwoman, your invitation letter asks me to answer eight questions that primarily pertain to my research on the Atlanta Housing Authority. Therefore, I will confine my testimony to those questions, and do so within the time allotted me.

Let me start by stating that my research concludes that environment matters! When low-income housing assisted families are given access to quality affordable housing in neighborhoods of greater opportunity, their self-sufficiency increases significantly.

Describe my public housing research?

I have mainly focused on how mixed-income revitalization, Housing Choice Vouchers and public housing have affected family self-sufficiency. I have examined longitudinally the administrative records of 20,000 AHA assisted families between 1995 and 2007. Under a grant from the MacArthur Foundation, I have also examined longitudinally 26,000 families who received public housing assistance from the Chicago Housing Authority between 1999 and 2007.

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I have attempted to answer the following questions: Did families relocate to better neighborhoods when the housing projects they lived in were demolished? Did they lose housing assistance? Did mixed-income developments or vouchers improve self-sufficiency in comparison to public housing projects? From a benefit-cost standpoint, did mixed-income-revitalization improve social welfare? Finally, did the school performance of 3rd and 5th grade students improve if their families used vouchers or lived in mixed-income developments?

Describe Atlanta's transformation efforts

Between 1995 and 2007, AHA fully constructed 13 new mixed-income developments--more than any other Public Housing Authority in the country. In 1995, AHA provided housing assistance to 16,345 families; 47% of whom lived in housing projects and 33% used vouchers. By 2007, AHA provided housing assistance to 17,111 families; 15% of whom lived in housing projects and 59% used vouchers. (Note that these percentages exclude elderly housing).

What are the rescreening policies of AHA and what percentage of original public housing residents moved back into redevelop communities?

Rescreening is handled by Private Development Companies that manage the mixed-income housing. I must defer the details of that process to the managers of AHA. I cannot speak authoritatively on it.

My research has found that in Atlanta, 21.4% of the still active original families moved back into mixed-income developments and 60.7% used vouchers. I have also found through numerous focus group interviews that the large percentage of families who remain on vouchers do so primarily by choice. Also, my statistical research in Atlanta found that mixed-income revitalization did not cause families to lose housing assistance.

In what way have I updated my 2005 article in the Journal of the American Planning Association?

The 2005 analysis investigated three housing projects that were demolished and revitalized. More recently, I have examined six housing projects and extended the analysis through 2007. I have also examined the school performance of elementary kids whose families receive housing assistance, conducted a benefit-cost analysis of mixed-

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income revitalization of six public housing developments and looked at whether voucher recipients have increased violent crime in receiving communities.

The outcomes are as follows:

- Families who relocated from public housing projects moved to much better neighborhoods.
- The employment rates of work eligible adults increased from 21% in 1995 (when most families lived in housing projects) to 53% in 2007 (when most families had moved away from housing projects).
- On nationally standardized tests, kids whose families lived in projects scored in the 29th percentile, those whose families used vouchers scored in the 35th percentile and those whose families lived in mixed-income housing scored in the 43rd percentile.
- Violent crime was not significantly correlated with the percent of families in census tracts who used vouchers. It was highly correlated with the poverty rate.
- Finally, the net social benefit of revitalizing six housing projects was \$123 million per development; the benefit to cost ratio was 1.6 to 1.

Distinguished Committee Members let me end by stating that to a great extent, the rebirth of intown neighborhoods in Atlanta has accompanied the mixed-income revitalization of public housing projects. In my opinion, this rebirth would not have occurred in its absence. Secondly, my research in Atlanta has demonstrated conclusively the self-sufficiency of low-income families can improve significantly if we provide them access to quality affordable housing in neighborhoods where the opportunities for upward mobility are greater. Thank you kindly.

Sincerely,

Thomas D. Boston, PhD