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Madam Chair and members of the committee, thank you for the opportunity to provide this testimony on the academic research related to public housing demolition and housing dispersal policies. Over the past 10 years I have studied public housing transformation at both the national level and locally. I have conducted a study of the *Hollman v. Cisneros* consent decree that resulted in the demolition of over 900 units of public housing and the redevelopment of a 73-acre site in Minneapolis. We interviewed over 600 people and tracked the relocation outcomes for families displaced in that project. I have evaluated the Harbor View HOPE VI redevelopment in Duluth, MN, interviewing over 100 relocated families at two points in time to track the effects of that project. At the national level I have created a database of more than 300 HOPE VI redevelopment projects through 2006 that combines project information with census data in order to track neighborhood changes taking place in areas surrounding HOPE VI sites. Finally, I have obtained from HUD a comprehensive listing of all public housing

demolitions since 1990 and have combined that with resident demographic data to examine the impact of public housing demolition on minority residents of public housing.

As Congress and HUD begin to think about expanding or changing the HOPE VI program into the “Choice Neighborhoods” initiative, it is an especially good time to reflect on what the research and evaluations of the program have shown. As with other programs to disperse low-income households and thereby deconcentrate poverty, the HOPE VI program is based on a set of expectations that changing the neighborhood environment in which poor families live will change and improve their personal circumstances. HOPE VI attempts to achieve these outcomes by moving poor families out of very-low income public housing neighborhoods and by improving the conditions of high-poverty neighborhoods through the redevelopment of low-income public housing. Thus, the HOPE VI program is intended to create two major types of beneficial outcomes; better outcomes for the residents of distressed public housing projects, and better conditions in the projects themselves and in their surrounding neighborhoods.

Research Findings on Improving Neighborhood Conditions through HOPE VI

The research to date on HOPE VI indicates that it has succeeded in improving neighborhood conditions in public housing communities. The typical HOPE VI project involves large scale demolition of older and declining public housing and their replacement with mixed-income communities. These new communities are built in a New Urbanist design style that promotes community bonds by reintegrating the areas into surrounding neighborhoods, focusing on townhomes, single-family homes, duplexes and

triplexes complete with front porches and stoops that provide a venue for social interaction and the supervision of public spaces.

By and large, HOPE VI projects have achieved the neighborhood-level benefits foreseen by program architects. The new communities are safer, the buildings themselves are more aesthetically appealing and welcoming, and residents seem pleased with the living environments being created. Crime is reduced through the displacement of gang activity and the low-income residents upon whom gangs and criminals prey. Residential property values have increased in the neighborhoods surrounding new HOPE VI communities. In some cases, a significant amount of additional private sector investment ensues as businesses move into the community, attracted by consumers with greater buying power and by a transformed physical environment. One study of eight early HOPE VI projects showed that the overall level of education in the neighborhood increased after redevelopment, the neighborhoods became more racially integrated, and most increased their per capita income relative to their cities. These improvements have been echoed in other research focusing on neighborhood changes, including research conducted by the U.S. General Accounting Office and by researchers at the Brookings Institution.

There are two points to be made about the neighborhood-level impacts of HOPE VI redevelopment. The first is that not enough research has been completed to determine what factors lead to the greatest degree of neighborhood transformation. My own preliminary and incomplete research seems to confirm the real estate maxim that location matters a great deal. HOPE VI sites that are near or adjacent to downtown areas seem to produce a greater degree of change than HOPE VI redevelopments located in more

remote or isolated neighborhoods. As more projects are completed and as more research is done we should be able to determine the relative importance of three types of factors in producing neighborhood transformation through public housing redevelopment:

- 1) Characteristics of the original public housing project (such as whether or not it was a high-rise, or the project's size – in terms of acreage or units),
- 2) Characteristics of the redevelopment (such as whether it incorporates home ownership, the relative mix of market rate and subsidized housing, and the existence of additional site amenities),
- 3) The nature and extent of complementary public actions (e.g., whether or not the HOPE VI redevelopment was part of a larger redevelopment initiative).

The research on neighborhood impacts is therefore promising, but incomplete. The ability to answer these additional questions would help policy makers fashion a more effective redevelopment program.

Second, it should be noted that many of the community-level benefits identified by researchers are associated with population turnover rather than the upward mobility of the original low-income residents. Per capita income increased, for example, because very poor people were relocated away from the neighborhood and more middle income and affluent residents moved in. Average education levels increased because more highly-educated people moved into the new housing created by HOPE VI projects, not because original residents completed additional schooling. And there is reason to believe, based on a study of Louisville, that HOPE VI does not reduce overall crime but instead shifts it away from the HOPE VI site to other low-income (often public housing) neighborhoods.

These caveats notwithstanding, the physical transformations taking place in HOPE VI neighborhoods across the country are impressive. The program has had a dramatic effect on the neighborhoods that previously had been dominated by older, declining public housing projects.

Research Findings on the Effects of HOPEVI on the Original Residents of Public Housing Projects Subject to Redevelopment

The second program objective of HOPE VI is to improve the lives of residents of declining and dysfunctional public housing projects. On this objective, the research indicates that outcomes have not been so positive. In fact, the benefits to original residents of HOPE VI and other public housing redevelopment are quite limited, modest, and inconsistent.

Research has focused on a number of potential outcomes, including physical and mental health, social integration, economic self-sufficiency, fear of crime, and neighborhood and housing satisfaction.

Employment and economic security

The evidence is fairly clear and consistent that HOPE VI public housing redevelopment (and other dispersal programs such as Moving To Opportunity – MTO) have not had any demonstrable positive effect on employment, earnings, or income of individuals. The Urban Institute’s panel study of five HOPE VI sites found no increase in employment among residents. This basic finding has been replicated in studies of individual HOPE VI projects in Boston, Minneapolis, and Philadelphia. The findings also extend to other efforts to increase the mobility of low-income households, including

MTO, the Welfare to Work voucher program, and city-specific mobility programs. Both the Urban Institute's researchers and the evaluators of the MTO program conclude that mobility and relocation are not effective in increasing the economic self-sufficiency of low-income households. In fact, the forced relocation of HOPE VI and public housing redevelopment may create economic instability for families according to the Urban Institute's study as well as studies of Fort Worth, Texas and Portland, Oregon.

Health

There is little research on whether HOPE VI-like redevelopment enhances the physical or psychological health of low-income families. The little evidence there is, however, is from the Urban Institute panel study of five HOPE VI sites and it indicates no overall improvement in health conditions for relocatees. In fact, three-fourths of the study subjects report no change or a decline in their health over time. In contrast, one study of Atlanta shows a lower mortality rate among residents of redeveloped public housing projects compared to residents of projects that had not been redeveloped.

School performance & experience

There is no evidence that children in HOPE VI families benefit from forced relocation from public housing undergoing redevelopment. The HOPE VI panel study shows no major changes in school engagement among children. Another study of households in Chicago public housing show no education improvements for children who moved as a result of redevelopment relative to a control group of children still living in public housing communities in the city. In Minneapolis, there was no change in the educational experience of children who moved out of the public housing redevelopment site.

Crime and Safety

Studies of public housing redevelopment consistently show that families that move out report an increased sense of safety. They report significant declines in drug-related activity, a greater sense of safety, and a reduction in visible signs of social disorder. This is an area in which public housing families do experience relatively unambiguous benefits from redevelopment.

Satisfaction with housing and neighborhood conditions

The balance of research also shows improvements in housing and neighborhood characteristics among HOPE VI families. Households from multiple sites report better housing conditions and fewer neighborhood problems. This does not mean, however, that displaced residents are uniformly satisfied with their new neighborhoods. In Minneapolis, displaced residents of public housing were more satisfied with the quality of their housing, but had mixed reviews about their new neighborhoods. In Seattle, researchers found that most HOPE VI residents interviewed felt their former public housing residence was a better place to live than their new neighborhoods. In Duluth, a large percentage of residents missed several things about their old neighborhood, including the convenient location, its view, and the sense of community that had existed there.

Social integration

HOPE VI research has shown little in the way of successful social integration of displaced families. Interviews with displaced HOPE VI families in Philadelphia conducted two years after relocation revealed that very few households rebuild social ties in their new neighborhoods, regardless of neighborhood poverty levels. The youth among

these families were more likely to rebuild friendship networks than the adults; however, youth were unlikely to look at their new neighbors as role models, or to interact with other adults in their new neighborhoods. In Fort Worth, Seattle, Minneapolis, Boston, and Tampa, residents reported fewer neighboring behaviors and less-supportive relationships as a result of displacement. In Minneapolis, the children of displaced families in Minneapolis were more socially isolated in their new neighborhoods, a finding repeated in the five-city HOPE VI panel study.

Many involuntarily-displaced families are not ready or entirely willing to move out of their existing public housing communities. In Seattle, Philadelphia, and Boston researchers found a strong sense of place attachment among public housing residents that limited their desire to move away or generated remorse for having moved. In several cities, including Portland, Minneapolis, and Duluth, a majority of residents (as high as two-thirds in Portland) did not want to move away from their homes. Most were very content living in the development. Even after being forced to move, many residents reminisced about the community; they mourned the loss of their neighbors and the community bonds they had established, as well as amenities in their old neighborhood such as open space, convenient location, and view. The desire to move was the most important factor determining whether residents reported benefits from relocation in Duluth.

Why are the individual-level benefits of HOPE VI redevelopment so limited?

In summary, HOPE VI seems to have benefitted residents by improving their sense of safety, and by improving their perception of housing conditions and

neighborhood civility. At the same time, the program has shown no effect on health, on the educational experiences of children, or on the economic security and self-sufficiency of families; in fact, as I have noted previously, there is some evidence that forced mobility increases economic insecurity. There is some consensus among researchers that the relocation of public housing residents often disrupts social support systems and creates new difficulties to overcome. This is a disappointing record of individual-level benefits. Below, I outline several potential reasons why HOPE VI and public housing redevelopment more generally has failed to generate a broad or consistent set of benefits for original residents.

1. Most families do not move back to the redeveloped site.

Once relocated away from the site to other low-income neighborhoods, families have found it difficult to make their way back to the redeveloped site. Many cannot meet new tenant screening criteria put in place by the property managers of the redeveloped HOPE VI project, many “drop out” of public housing for one reason or another, and some lose interest in moving back to the redeveloped site during the five years or more between their initial relocation and the final completion of the redevelopment. Thus, as Urban Institute researchers note, for most residents of HOPE VI projects, the main intervention that they experience is the forced relocation out of their homes into other neighborhoods. Thus, for most HOPE VI families, their post-relocation experience is defined not by the brand new community created that emerges from the redevelopment, but by the quality and characteristics of the neighborhoods to which they move.

2. Most HOPE VI relocatees do not move far.

Displaced public housing residents typically move to other housing opportunities nearby their old neighborhoods. Very few move to the suburbs; only 14% in the five cities of the Urban Institute's Panel Study, less than two percent of more than 3000 families displaced by public housing redevelopment in Chicago, and just over 10% in Minneapolis. Over half of the Minneapolis families moved within a three-mile radius of their original homes. Nearly all households who moved as a result of the *Comer v. Cisneros* deconcentration plan remained in Buffalo, moving an average of 1.5 miles from their previous residence. Though the distance is longer in some places (an average of over five miles in Chicago according to one study), families tend to remain within communities with which they are familiar, and in which they maintain social or historical ties.

3. *HOPE VI residents tend to move to other disadvantaged or segregated neighborhoods.*

The expectation that relocation will benefit residents is based on a fundamental expectation that residents' new neighborhoods will be a significant improvement over their previous ones. In practice, however, the difference between pre- and post-relocation neighborhoods is typically not so dramatic. This is so for one of two reasons. First, while HOPE VI residents tend to move to neighborhoods with poverty rates lower than in originating neighborhoods, poverty rates in the new neighborhoods are typically higher than average. Data from the HOPE VI Panel Study, for example, found that 40 percent of displaced residents who did not return to the redeveloped HOPE VI sites lived in high-poverty census tracts (those with poverty rates over 30 percent). The average poverty level for HOPE VI relocatees in the Panel Study was greater than 20%. Similar findings

are echoed in studies of Philadelphia, Minneapolis, and Richmond, VA. In addition, the Minneapolis study shows that many receiving neighborhoods, though lower in poverty compared to the original neighborhoods, are becoming poorer over time. Research shows that HOPE VI households tend to move to other racially segregated neighborhoods as well. In summary, although HOPE VI families move out of some of the very worst neighborhoods in the cities in which they live, the neighborhoods to which they relocate are themselves disadvantaged. The new neighborhoods tend to have higher poverty rates than the city as a whole, lower incomes, and more segregation – all problems that are getting worse over time. There is some evidence that subsequent moves of displaced families (moves after the original relocation move) are towards neighborhoods with even higher poverty rates, lower incomes, and greater segregation than the relocation neighborhoods.

The second reason why differences between pre- and post-relocation neighborhoods may not be as great as envisioned by the HOPE VI program is that in some cases the HOPE VI site itself is not severely distressed. The HOPE VI program was created to address the very worst of the public housing stock in the U.S. Though projects such as Cabrini-Green and the Robert Taylor Homes in Chicago are infamous for their horrific living conditions and played a large role in the policy discourse about public housing, the fact is that in most cities at most times public housing does not resemble those worst-case scenarios. HUD's own assessments indicate that over 90 percent of the stock meet or exceed 'standard conditions'. Even among HOPE VI projects, sites that have presumably met HUD's threshold for dysfunctionality, there are projects that are a far cry from the extreme conditions of Chicago's worst. For instance, in Portland, the

Columbia Villa HOPE VI development was described by an evaluator as “well designed, racially integrated, and well managed” – facts that many displaced residents recognized and which provided the basis for their attachment to the original project. I have already noted the fact that in several research sites, a majority of residents had no desire to move away. In the absence of hellish conditions, the residents of public housing may not be anxious to leave, may see a functioning social fabric where others do not, and may end up being less likely to see substantial differences between their old neighborhoods and the new ones to which they have been relocated.

4. Relocation is insufficient to address the complex and contingent dynamics that produce poverty. Most of the benefits experienced by HOPE VI households are passively-experienced perceptual improvements.

The most universally experienced benefits of HOPE VI relocation for families are feelings of greater safety and a reduction in social disorder, and improved housing conditions. These are direct benefits to residents; residents need not take any action, nor engage institutions or social structures in order to feel safer or enjoy the reduction of social disorder they perceive in their new neighborhoods. Put another way, these benefits are accessible to most relocated families. Other expected neighborhood advantages of relocation (access to greater employment opportunities, better schools, and higher levels of social capital) are not experienced passively. For these benefits to be experienced by relocatees, they must take active steps, and must engage public and private institutions and social structures that may remain biased in ways that make it difficult for residents to realize benefits. Employment is perhaps the best example. Displacement from distressed public housing may well put residents in close proximity to a greater number of job

opportunities. For that to benefit the resident, however, a series of additional preconditions must be met. The job openings that exist must match or be appropriate to the training, education, or experience of the resident. The resident must become aware of the appropriate job openings. The hiring process must be free of discrimination so that the resident is not unfairly treated due to skin color or ethnicity. The resident must be healthy enough to be able to pursue the employment, must have the necessary child care in place, and the means to get to and from the interview and the job site. A similar set of contingencies might be listed for taking advantage of educational opportunities or accessing enhanced social capital. For problems of economic security, poor health, and low-educational attainment, relocation provides only a partial solution. The contingent relationships and actions necessary for individuals to realize benefits in these areas are not affected by relocation alone.

Disparate impact of public housing demolition

The limited and inconsistent individual-level benefits of HOPE VI become all the more problematic in light of the fact that the HOPE VI program and public housing demolition in general has had a disproportionate impact on people of color, most notably African-Americans. Of course, any action related to public housing will have a disparate impact on African-Americans because African-Americans are disproportionately represented among public housing residents. In 2000, the last year for which HUD published the data, 48 percent of the residents of public housing nationwide were African-American. In large cities (cities in which the local public housing authority owns and operates more than 5000 units), African-Americans make up 66 percent of public

housing residents. In cities such as Birmingham, Detroit, Memphis, New Orleans, and Washington, DC, HUD data indicates that 99 percent of the residents of public housing are African-American. Even given the large proportion of African-Americans in public housing, public housing demolition since 1995 has, on average, targeted projects in which the African-American occupancy is higher than in comparable units. In the 150 largest cities in the U.S., accounting for 163,393 units of public housing demolished since 1995, I estimate that 82% of the households displaced were African-American. In half of the demolished projects, African-Americans made up 95% or more of the residents in the year prior to demolition. In over 300 public housing projects for which I have data, the average development was 79.5% African-American the year prior to being demolished. In those same cities, for those same years, the rest of the public housing stock averaged 73.2% black. On average, projects that have been demolished in these cities have targeted projects that had 7.7 percent more African-Americans than would be expected without a disparate impact.

Is 7.7 percent a lot? I would argue that it is. This percentage, which serves as a kind of Disparity Index, is bounded on the upper end by the initial over-representation of blacks in public housing. For example, in cities like Washington, DC, Memphis, and Detroit where virtually all public housing residents are African-American, there is no possibility of a disparate racial outcome as I have defined it. Thirteen percent of the demolitions in my sample (or 40 projects) took place in cities in which blacks make up 99 percent of all public housing residents. In one third of the demolitions (more than 100 projects), blacks make up more than 90 percent of all public housing residents citywide. Despite the fact that a disparate impact is by definition impossible or highly limited in

one-third of all cases, the data show a consistent tendency for the public housing that is being demolished to have higher African-American occupancy than exists in the rest of the stock.

Given the findings that HOPE VI has produced few benefits for original residents, has failed to improve economic self-sufficiency, and has disrupted social networks among residents, the fact that HOPE VI and public housing demolition in general has tended to target projects with higher than average African-American occupancy is troubling.

Recommendations

Based on the experience of HOPE VI to date, I offer the following set of recommendations for future federal policy:

- 1. Halt the further demolition of public housing.*

HUD has already demolished significantly more public housing units than were identified by the National Commission on Severely Distressed Public Housing (NCSDPH) that led to the creation of HOPE VI. NCSDPH found that 6% of the nation's public housing, or 86,000 units were severely distressed. Since that report, HUD has demolished more than 159,000 units. The program has more than accomplished the task set out by the Commission. While the displacement and demolition model may have been warranted in some of the most distressed public housing projects targeted by HOPE VI in its early years, evidence from resident interviews suggest that whenever they have been asked, a majority of residents express a desire to stay in their public housing communities. This

strongly suggests that the program has begun to target public housing developments that might be preserved and improved by methods short of full-scale demolition and displacement.

2. *Incorporate program features that limit or avoid forced displacement of residents.*

The displacement and relocation of families has not produced significant benefits for public housing residents. If improving the lives of these residents is indeed a central program objective, the program can be operated in such a way as to put the interests of residents first. This would mean emphasizing rehabilitation over demolition which would reduce or eliminate the need for displacing current residents. Alternatively, this could mean phased redevelopment whenever possible, so that residents could remain on-site during redevelopment and move directly into new units as they are completed. Or, where demolition is absolutely necessary, it could mean the construction of replacement housing *prior to* demolition rather than years afterward.

3. *Incorporate anti-displacement techniques so that the existing residents of HOPE VI neighborhoods can experience the neighborhood-benefits produced by the program.*

The HOPE VI program has reduced crime rates, increased property values, and induced additional private investment in redeveloped neighborhoods. In many cases, however, it has also triggered gentrification and neighborhood demographic changes so that these positive neighborhood changes are experienced by newcomers rather than residents who had been living in the neighborhood. The degree to which neighborhood-level benefits of HOPE VI are

experienced by the original low-income residents of the public housing or by the original residents of the surrounding neighborhood is dependent upon the protections built into the program to limit displacement. This could include the use of community land trusts to preserve affordable housing, or tax deferral programs to protect lower-income homeowners.

4. *Use the lessons of HOPE VI to expand production of new public housing units.*

The greatest successes of HOPE VI have been in how it has remade the physical environment of neighborhoods. New structures, well-built and well-designed, provide housing for households with a mix of incomes. New units of public housing are built side by side with market rate units. The program's most vigorous advocates argue that this is the way public housing should be built. If that is the case, and we have learned at this late date how to build successful public housing, then now is the time to expand the stock of public housing, not continue to deplete it through demolition. The acute need for affordable housing remains strong across the U.S. The demand for public housing is demonstrated by long waiting lists in virtually all communities. HOPEVI has shown that public housing can be built in such a way that it blends into the surrounding neighborhood, is aesthetically pleasing, can be mixed with market rate housing, and provide a good living environment for all.

5. *Provide voluntary mobility opportunities for families wishing to leave public housing communities.*

We found that the families that benefitted the most from HOPE VI relocation were those families that wished to move and were poised to move out of the

public housing in which they resided. This suggests that U.S. housing policy should continue to make mobility available to those ready to use it. Voluntary programs such as MTO should be expanded.

6. Should Congress and the Administration expand the HOPE VI model to include other forms of project-based subsidized housing as envisioned in the Choice Neighborhoods initiative, recommendations one through four above should be applied to it, so that the “Choice” in Choice Neighborhoods extends to the lower-income residents currently residing in those buildings and those communities.