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Academic Perspectives on the Future of Public Housing**

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Madame Chair, members of the subcommittee, thank you for the invitation to speak before you today, it is truly an honor for me to be a part of this distinguished panel.

Despite the many other major issues currently facing members of Congress, I believe the timing is excellent for this hearing on this topic. The HOPE VI program has had some impressive successes and has faced some deep challenges. Secretary Donovan and his team at HUD have generated the outlines of an ambitious and strategically-conceived urban initiative that has the promise of an exciting new phase of poverty deconcentration. As best I can tell, however, Choice Neighborhoods also has the potential to repeat or overlook some of the key shortcomings of the HOPE VI program and, ultimately to generate benefits for some citizens, but fall short of maximizing the return on investment in terms of impact on low-income families, who are often displaced or marginalized by urban revitalization.

Secretary Donovan has said that building communities in a more integrated and inclusive way is essential to advancing social and economic justice in America. HOPE VI was an important but limited step in this direction. It is crucial that we examine the challenges and lessons of HOPE VI as carefully as possible as the Choice Neighborhoods Initiative is crafted.

While the topic of the hearing this morning is broadly framed as the “future of public housing,” I will focus my comments on mixed-income development strategies, the most notable of which is the Federal HOPE VI program. In contrast to the other major approach to poverty deconcentration in the U.S., dispersal strategies, which move public housing residents from their high-poverty neighborhood to other locations around the metropolitan area, mixed-income development seeks to attract middle-income families to the site of former public housing developments, while retaining a portion of the low-income population. The old buildings are demolished and in their place high quality housing is constructed. Through the 4.5 billion dollar

HOPE VI program (Housing Opportunities for People Everywhere) launched in 1992, the federal government has supported mixed-income development on public housing sites throughout the country. Mixed-income development is also being implemented in Canada, countries throughout Europe and in Australia.

Theoretical basis for mixed-income development

In a paper about mixed-income development to be included in a volume published by the Pennsylvania Institute for Urban Research at the University of Pennsylvania on revitalizing older U.S. cities¹, here's how I described the theoretical foundations of the mixed-income strategy, and why scholars, policymakers and practitioners have suggested that it is a good idea:

“In terms of benefits to low-income families, a basic expectation is that, compared to their previous public housing residences that were plagued by deteriorated buildings, crime, violence, and low quality public services, their quality of life will be vastly improved by living in a new, clean, well-managed development in the midst of a revitalizing neighborhood. However, policymakers, practitioners and, as my research has found, many residents themselves, expect mixed-income development to accomplish much more than just improved housing quality for low-income families. First, there is the hope that through living in proximity to more affluent families, low-income families can establish social networks that would increase their access to information and resources, such as jobs, beyond their own often-limited peer and familial social space. Second, there is an expectation that the presence of more affluent families, particularly homeowners, will lead to a greater degree of informal social control and collective efficacy, with families taking more responsibility for maintaining strong norms of local neighboring and civic responsibility. Third, it is hoped that the opportunity to observe and engage with residents who, it

is presumed, may be more likely to display productive behavior such as working and less likely to be involved in delinquent or antisocial behavior would lead to a role modeling effect on the behavior of low-income residents. Finally, more pragmatically, it is expected that the higher-income residents will bring greater levels of economic and political power that will enable them to be more effective in generating and sustaining investments in local services and amenities.”

“. . . [I]t is important to consider [mixed-income development’s] potential impact on places [as well as people] . . . Mixed-income development represents a win-win proposition with its mix of market-rate and subsidized housing, and its potential to anchor the physical revitalization of central city neighborhoods with new housing and infrastructure improvements, decrease pockets of poverty and the associated social challenges and public sector costs, attract and retain more city residents, and increase property values and property tax revenues.”

In the same paper, I also described some of the possible downsides and limitations of the mixed-income approach:

“Most fundamentally, redeveloping public housing sites for a mix of less densely constructed units requires reducing the number of units available for low-income families at a time when affordable housing is in short supply throughout the country. Furthermore, the mixed-income focus on the social and economic resources to be imported with affluent families often leaves low-income families characterized solely in a deficit perspective framed by the culture of poverty (Pattillo 2007). Briggs (1997) cautions that the new mixed environments may mean an increased sense of relative deprivation, increased stigma, and a loss of local power and influence for public housing residents. Finally, the fundamental problems of structural inequity in America can be obscured by discussions of income-mixing. Clearly, physical integration alone will not be enough to counteract the entrenched inequities and racial discrimination—in schools, labor

market opportunities, and the criminal justice system—that are prevalent in current U.S. society.”

Data and Methods: The Chicago Public Housing Transformation

The Chicago Housing Authority (CHA) Plan for Transformation involves the demolition of about 22,000 units of public housing, the rehabilitation of over 17,000 units, and construction of about 7,700 public housing units in new mixed-income developments with a total of over 16,000 units (Chicago Housing Authority, 2008). Eight years into the Transformation, the CHA reported that almost 65 percent of the 25,000 replacement units had been completed. However, while this represented almost 80 percent of units to be rehabbed, only 32 percent of units to be newly constructed in MI developments had been completed (Chicago Housing Authority 2008).

I began my research on mixed-income development in Chicago in 2004. Currently, along with my co-Principal Investigator Robert J. Chaskin, Ph.D. and research teams based at the University of Chicago and at Case Western Reserve University, my research involves case studies of four of the new mixed-income developments in Chicago: Jazz on the Boulevard, Oakwood Shores, Park Boulevard, and Westhaven Park. These developments are projected to have a total of almost 6,000 units when completed.

Our qualitative research methods include in-depth, in-person interviews with a small random sample of residents at each site, repeated periodically. Our sample includes residents of all income levels and tenures. We also interview a range of other stakeholders associated with the development including developers, property managers, service providers, community members and local government and civic actors. We have interviewed almost 200 residents and over 75 other stakeholders. We also rely heavily on observations of meetings and community

activities at the four sites and their surrounding neighborhoods and have conducted almost 300 observations across the four sites. Our analysis also includes a review of documentation produced at the sites and by others associated with the Plan for Transformation as well as administrative data available on the public housing population.

My research has been funded by The John D. and Catherine T. MacArthur Foundation, The Annie E. Casey Foundation, and The Rockefeller Foundation.

Defining “success”

One thing that we have found from our interviews with a variety of individuals with different roles and vantage points on the mixed-income development process is that there is no consensus about what constitutes “success” for the effort. Policymakers tend to articulate more ambitious goals for these efforts while developers and residents themselves have more modest expectations. Many of those working more closely with the efforts are concerned that expectations for what mixed-income development can accomplish are too high.

For the sake of discussion, I suggest five possible levels of success, in increasing order of difficulty:

- 1) lease and sell all the units and sustain low turnover
- 2) achieve high quality of life and satisfaction for all residents
- 3) promote effective neighboring among residents, minimizing tension and conflict
- 4) promote social and economic mobility among low-income residents, supporting their move towards self-sufficiency and off of government assistance
- 5) generate neighborhood-wide revitalization and reconnect the development with the broader neighborhood economy.

The Choice Neighborhoods Initiative seems clearly geared to promote success at the 5th success level - neighborhood-wide revitalization. However, without success at the first four levels, it is not clear how mixed-income development is ultimately sustainable for any residents, regardless of socio-economic status. Who will want to live in a revitalized community with tension among residents and a sense of opportunity for some and stigma for others? A key implication as Choice Neighborhoods is designed is that attention must be given to how to achieve consensus on desired outcomes – for both people and place – and how those outcomes will be measured and assessed.

Development progress in Chicago

In the paper for the Penn Institute volume, I described the progress of development in Chicago as follows:

“As in HOPE VI redevelopments across the country, the demolition of the severely-distressed public housing stock proceeded far more quickly than the subsequent building of the new developments. However the new physical landscape of public housing in Chicago is an achievement not to be diminished: many never thought they would see the day when every single one of the towers of poverty was either gone or slated for imminent demolition. However, that success quickly pales when compared with the controversies around the relocation of residents and the difficulties of bringing new units on line.

At one level, the city’s level of ambition regarding the scale of the transformation is admirable, but, on another level, much of the complexity of the process and resultant impact on the lives of thousands of public housing residents is due to the city’s commitment to embarking

simultaneously on the depopulating, financing, construction, and repopulating of ten mixed-income developments. Each phase of each redevelopment requires multiple layers of financing, coordination among numerous public sector departments at the federal, state and city level, newly-formed public-private partnerships including the meaningful inclusion of community stakeholders representing residents and the broader neighborhood, and contracts with social service providers and other agencies that help residents relocate and, some cases, return. Most cities with HOPE VI grants have had to navigate the challenge of implementing a relocation and redevelopment of a few hundred units. The city of Chicago has set itself the task of simultaneously redeveloping ten developments, seven of which will have at least 850 units each, four of which will have close to or over three thousand units each. While presenting an opportunity to permanently and thoroughly remake the urban landscape, this has greatly complicated the mixed-income effort in Chicago.

Looking to the engine of the private market to generate the economic resources to undergird the redevelopment also makes the progress of the Transformation completely dependent on the strength of the housing market. In the first years of redevelopment, market-rate for-sale units in the pipeline generated waiting lists and strong pre-sales. As the housing market crashed in Chicago and around the nation and lenders tightened their loan requirements, sales have slowed tremendously, putting severe stress on the progress and future of the entire developments. One strategic response among some developers is to market the unit to investors who see it as a long-term investment and will use it as a rental property or are willing to assume the short-term risk and potential profit of reselling the unit themselves. This challenges theoretical assumptions about purchasers of market-rate units as concerned neighborhood stakeholders who may be more likely to become engaged in the community, contributing to

greater informal social control through their active presence and exerting demands for local amenities on external actors.

Some of the best early news about the mixed-income effort in Chicago, prior to the housing market downturn, was the high levels of demand for the market-rate units. Just as in other developments around the country, it has been demonstrated that the advantageous locations in proximity to downtown, anchor institutions such as universities, hospitals, and transportation arteries (and in the case of some Chicago developments, Lake Michigan) where public housing developments were historically sited provide a market appeal that, when combined with high-quality design and strong property management, can outweigh concerns that prospective tenants and owners might have about living among former public housing residents. It should be no surprise that the units in the affordable middle tier have been in particularly very high demand.”

Findings about early resident experiences

In a research brief produced along with colleagues at the University of Chicago that summarizes findings to be published in a longer paper about resident perceptions of their experiences in mixed-income developments, this is how we described our key findings:

“Respondents’ reflections about their early experiences in the new mixed-income developments focus on the following four areas:

- Physical environment and quality of life
- Emotional health and stress
- Social relations among residents
- Financial implications

Physical environment and quality of life. The most concrete and immediate change that the mixed-income strategy can provide for those moving from public housing is an improvement in the quality of their residential units, buildings, and immediate physical environment. This was clearly an important perceived benefit of living in a new mixed-income development among most of the relocated public housing residents we spoke to. As one described it:

When I first looked at this apartment, uh, I couldn't believe it. Balcony, big bathroom, carpet, elevator working every day, every day, those lights. . . . I just said, "Uh-uh, this can't be happening to me," because I'd been in that project for years. . . . Hey, when I saw this place, it was a dream for me. My own balcony, oh!
- Relocated public housing resident, Westhaven Park

. . .The most prevalent downside of the new physical surroundings shared most broadly by all respondents at both developments, regardless of income or tenure was the lack of retail and service amenities within walking distance, such as retail stores, quality sit-down restaurants, coffee shops, and drycleaners.

Emotional health and stress. The emotional and psychological impact of the move into a mixed-income development is an area in which the perspectives of relocated public housing residents and other residents varied quite dramatically. Whether in terms of stress, feelings of self-esteem and motivation, concerns about safety and security, or feelings of stigma, there seem to be quite different experiences unfolding across income levels. At both sites, although a high proportion of the relocated public housing residents with whom we spoke described what could be called psychological benefits from their move, as did about half of affordable renters and owners, relatively few of the market-rate renters and owners mentioned this. Two thirds of the relocated public housing residents we spoke to mentioned the high levels of emotional stress that

they had experienced in their former housing development and the major reduction in stress and increased “peace of mind” that they felt in the new mixed-income development.

I don't feel that I'm stressed out about being worried about if I go outside that they're gonna start a gang fight or somebody's gonna start shooting, or do I gotta sit close to the entrance of the building if I go to relax outside, or if I gotta stay close to home. . .that's a stressful situation I don't have to worry about. I feel I don't have to worry about because honestly, since I've been down here, I haven't had any problems.

- Relocated public housing resident, Westhaven Park

Some relocated public housing residents experienced another emotional health benefit: over half expressed a sense of increased self-esteem and accomplishment at having navigated the hurdles necessary to get themselves into the development.

[Moving here] was like an awakening for me, for my lifestyle. It was something I felt – my self-esteem rose. I felt like wow, I'm gonna be a part of the American dream because, for 33 years, I lived in an environment where it's this low, poverty [area] and everybody [was] basically in the same boat.

- Relocated public housing resident, Oakwood Shores

We also heard from about half of the relocated public housing residents that they felt an increased sense of motivation to continue to make advancements in their lives.

I mean when you're kind of in one spot and you're kind of used to that and you – I mean just being honest, and you don't know nothing better, and you're not used to nothing else. And then when you see different things and better things, it just makes you want to do more, and more, and more.

- Relocated public housing resident, Westhaven Park

For some relocated public housing residents, this seemed motivated by specific incentives or pressures.

I have to be productive to keep my apartment and to be living in a really decent neighborhood. . . as opposed to, okay, being kicked out. . . . It's like I have to learn to manage my money well, to the point where I could keep moving ahead in life and keeping my bills paid and everything, and not wasting my money away. . . . I feel that's the whole purpose of [the mixed-income developments]. . . . Don't just sit back and depend on government assistance for the rest of your life. Use [this opportunity] to move ahead.

- Relocated public housing resident, Westhaven Park

Although some relocated public housing residents expressed the benefit of increased esteem and motivation, half of those sampled did not express these opinions; rather, their experience in these developments was characterized by discomfort due to a sense of increased monitoring and scrutiny. In addition, there were several relocated public housing respondents who felt that they were being adversely affected by being stigmatized by their more affluent neighbors.

I'm telling you really good people came from [the public housing developments], but you get stereotyped because you [used to] live there and that's really sad.

- Relocated public housing resident, Oakwood Shores

There were a number of relocated public housing residents who felt that the move to the mixed-income development had increased their level of stress. Different individuals had different explanations of the cause of the stress, including paying higher bills, being around unfamiliar people, or feeling socially isolated. One particular facet of the new mixed-income environment that appeared to be creating stress and tension for many of the relocated public housing residents was the stringent rules established, in some cases by property management and in other cases by the condo or homeowners associations.

I was very stressed out here because it takes more to live under these rules as opposed to [in my former public housing development]. We didn't have the rules and people here watch [your behavior]. [They] make sure you empty the garbage right or the kids [are not] too loud, so I've been stressed here.

-- Relocated public housing resident, Oakwood Shores

Social relations among residents. Many respondents described a variety of perceived benefits to living around people of different social and economic backgrounds that ranged from the opportunity to live in a diverse environment to the to the opportunity for middle-class residents to move beyond media images and learn firsthand about families living in poverty.

Relatively few market-rate owners or renters made note of the diversity of the resident population as a benefit to themselves.

For a few respondents, living in a socio-economically and racially diverse environment was viewed as beneficial in that it demonstrated that people from different walks of life can live together and get along. The actual benefit here seems more symbolic than instrumental.

The atmosphere is just beautiful. I mean, because you have your different races, different cultures out here. When I take my walks, I'm like, "Wow." You see other people, you know? I love my people, but it's okay that you can actually go out and it's like not [just] mixed incomes but now it's mixed races.

-- Affordable renter, Westhaven Park

A few residents suggested that a benefit of the diverse population was that low-income residents could observe and learn from residents of a different socio-economic background.

[T]he only way that you see or you know better is to be around people that are doing better. . .there should be people of all income levels and all professions living together, so that we can all learn from one another. . . that's how it was here in Chicago in the Black Metropolis. . . there were doctors and lawyers and dentists. . . Everybody lived together, because we had to at that point. We didn't have any other choice . . .We lived together as a community at that time.

-- Affordable owner, Oakwood Shores

Several affordable and market-rate respondents shared the sentiment of gaining more of an appreciation of what low-income families have to deal with. An affordable owner said, "I may be more in tune to social problems now that I am in the midst of them rather than just seeing them on T.V." A market-rate renter stated, "I feel that living [here] has opened my eyes to exactly what's going on and [to] try to do something to help it."

The flip side of this perception is the increasing concern expressed about the conduct of some neighbors, in the development and from the broader neighborhood, which was shared by respondents across housing tenure and income lines. Over time, significantly fewer residents

discussed relations among neighbors in positive terms and there seems to be more focus on the challenges presented by living in these diverse environments.

Several respondents expressed disappointment, not necessarily with overtly negative behavior, but with the level of coolness or underlying tension among neighbors that was leading to a lack of comfort in the environment.

[T]here has been no interaction at all, and like I said, we see people all the time and people just kind of walk by and they don't make an effort to get to know you or speak or anything. So I kind of feel like there's a divisiveness and I think we have, the people who live in the apartments and then you have those people who own. So, I think that is the clear division there.

-- Affordable owner, Oakwood Shores

Across housing tenure and income, our interviews revealed a widespread sense of detachment and isolation within the development, with many residents feeling disconnected from their new neighbors.

It's pretty much everybody. I haven't really met too many friendly people in this building or the adjacent building. You have your occasional people who say, "Hi," whatever but for the most part they don't really care to speak to you.

- Market-rate renter, Westhaven Park

While some wish there was more interaction, many are quite comfortable with not having their neighbors "in their business."

Beyond perspectives on the general tenor of interaction, about half of the affordable and market-rate respondents expressed specific frustration at the conduct of relocated public housing residents.

[I]t's just irritating. It's just really inconsiderate. Weren't you ever told that perhaps at 2:00 a.m. on a weeknight some people may have to go to work? . . . There are people in our building and people in the surrounding buildings that do need to get up to go to work and [they] disregard anybody needing that. When they're playing the music so loud the windows are shaking and they're screaming and laughing, it's well, I'm glad you're having a good time, but not at 3:00 a.m. on a Wednesday.

- Market-rate owner, Westhaven Park

Areas of concern included loud music and other forms of noise at all hours of the day and night, parties in the parking lot, “loitering” in front of the entryways of buildings, littering, a general lack of care for the surroundings, and, above all, unsupervised, unruly children playing in and around buildings and “running wild.” These frustrations with neighbors’ behavior do not break down purely along class lines; some relocated public housing residents also expressed concerns about the conduct of some of the residents and their visitors in the new developments.

Financial implications. Finally, residents reported changes in their finances and financial behaviors related to their move. For some, the move was a positive step towards greater independence and economic standing. For others, the move generated increased costs and financial pressures. A relocated public housing resident at Westhaven Park explained in detail why the increased financial responsibility was a benefit for her.

So some people would see [the financial responsibility] as a down[side], but I look at it as a plus because it’s something new you’re given, and you have to learn to be responsible enough to pay [your bills]. . . you gotta learn how to live more responsibly, and you have to learn how to budget your money and stuff.

- Relocated public housing resident, Westhaven Park

These expressions of self-improvement and aspirations for success could be brought about by a number of factors associated with the move to the new development—an administrative environment with greater accountability, coaching from social service staff, the opportunity to demonstrate greater independence—or could simply be a function of the selection process that screened public housing residents for eligibility to move into the new developments. Regardless, the move demanded greater financial responsibility from relocated public housing residents, and that it seems that a number of them are meeting the challenge . . . On the downside, many of the respondents expressed concerns about the financial demands of their new residence. For

relocated public housing residents, who were not responsible for utility payments when they lived in public housing, budgeting and paying for the gas and electric bills was an unanticipated challenge and a source of considerable stress.”

Conclusions about early resident experiences

In the full paper about resident perceptions of their experiences in mixed-income developments, co-authored with Robert Chaskin, here’s how we summarized what we have learned: “. . .the developments are clearly providing vastly improved physical surroundings— attractive and well-maintained buildings, more peaceful and stable surroundings—for the relocated public housing residents who were able to move into them. For many of these residents, the change of atmosphere has been accompanied by a decrease in stress and, for some, an increase in aspirations and motivation to continue to improve the quality of life for themselves and their children. The benefits to their immediate quality of life, however, are not matched by instrumental benefits through relations with the new neighbors. . . it seems clear that any presumed benefits from social networks across class lines are not likely to materialize in the mixed-income context, certainly in the medium-term. Furthermore . . .the social impact of the transformation of the environment around them is complicated. Along with the physical improvements and more subdued atmosphere have come increased oversight and intrusion into their lives from both formal administrative structures, such as the property manager and condo associations, and informal social pressure from more affluent neighbors whose lifestyles and social expectations sometimes conflict with their own. . .we heard numerous references to a sense of stigma and social isolation. Although there are some who appear to be thriving in the new environment and determined to use it as a stepping stone, others have detached themselves

from the new environment around them and are simply trying to maintain their eligibility to remain in their current unit.

For affordable and market-rate renters and buyers, the move to a mixed-income development also seems to have had both benefits and disadvantages. The prime locations, quality of external design, and competitive pricing in these particular developments were strong enough incentives to generate market demand among market-rate renters and buyers in the early years of development occupancy, prior to the major recent downturn in the national housing market. Although the [investment] incentive for buyers has disappeared for now, and complementary amenities in the surrounding neighborhoods have been very slow to come, there remains a sense among these residents that the locations of the developments are strong, the expanding revitalization from the city center is inevitable, and when the housing market turns around these developments will once again prove to be strong investments. That expectation is conditional on the emergence of a stable, orderly social environment where residents of vastly different socioeconomic backgrounds may have limited meaningful social interaction across lines of race and class but are living comfortably among one another, meeting some basic agreed-upon social norms, and acting as good neighbors. More research is needed to understand the mechanisms—formal and informal—that can help promote the necessary levels of individual and collective adjustment, cooperation, and accountability to facilitate and sustain such forms of neighboring in such socially diverse environments. Existing developments will need to turn greater attention to issues and modes of governance, property management, formal and informal social control, and community building.”

Policy implications

In the paper for the Penn Institute volume, I argued that “ultimately these efforts should be judged in large part on the basis of their impact on the families who were living in the original public housing developments. By this measure, outcomes have been mixed—while many residents who have relocated with vouchers may have improved their quality of life, those in 100 percent public housing developments are often in much worse conditions, and there is a substantial population of families with multiple barriers to self-sufficiency who are not well-served by the current approach. And even those families that make an initially successful move with a voucher may fall prey to a unit that is poorly maintained or foreclosed and transferred due to the growing subprime crisis. The main focus of [my research] is the new mixed-income developments, but my argument here is that the success of these developments in Chicago must be considered in the context of the broader public housing transformation, especially since so few of the original residents will return. While the gleaming new mixed-income developments will draw an inordinate share of policy attention, it is critical that policy focus and investments are sustained and indeed increased on the challenge of providing appropriate supports and options for the estimated three-quarters or more of the original public housing families that will not return.”

In terms of policy regarding mixed-income development, I suggested that “. . .the policy challenge is to incentivize and help developers to balance a resident mix and screening and selection criteria for *all* residents that ensure a stable, well-maintained development, with a high enough proportion of market rate units to make the project financially feasible, while maximizing the numbers of former public housing residents who are able to benefit from living in the newly-constructed developments. We have much more to learn to be able to strategize in

an informed way about the appropriate balance and, even then, it certainly will be dependent on the strength of the local housing market and other considerations. However, the initial market demand for mixed-income units in Chicago where most sites have in the range of 22 to 33 percent public housing units suggests that, in the context of a strong market, this is at least a lower bound of what can be achieved. There are two sites in Chicago with 46 and 63 percent public housing, which should be closely watched for any implications from proportions that high. In terms of marketing to residents, developers and the housing authority must dedicate much greater creativity and attention to recruiting former public housing residents than originally anticipated. One Chicago developer reported that practically his entire marketing budget is now used to attract residents back to public housing units.

The mixed-income strategy requires strong partnerships across public, private and non-profit sectors due to the shrinking available public resources to fund revitalization of this scale as well as the for-profit and non-profit expertise that can be leveraged. However, given that the primary social objective is to provide housing and a pathway to self-sufficiency for low-income families, over the longer-term it may be worth considering ways to build the capacity of non-profit developers to play a greater role in these projects. Certainly in Chicago, the non-profit developers that have been engaged have brought to table deep experience in housing and supporting low-income families.

Finally, given the pre-existing prejudices and social distance between residents of the development, it may not be enough to simply maintain order in the development and keep residents in compliance with property rules. In order to avoid gradually increasing tensions based on misperceptions and lack of trust, it may be necessary for external entities, whether the developer, social service providers, or other community-based actors, to take intentional steps to

move beyond the building of housing to promote the building of community. Applying principles and lessons from other community building initiatives, we know that this can be achieved in a variety of ways that include physical design with an attention to maximizing common space and shared entryways, social services and property management with expanded roles that include promoting activities that appeal to a variety of residents, and investment in amenities on-site and nearby such as schools, community centers, libraries, fitness centers, grocery stores that offer services that could attract residents of all different backgrounds. As we have seen, maintaining conventional governance structures—some for owners, some for other resident groups—will likely increase rather than decrease intra-resident distrust and tension. Overarching, inclusive structures, or smaller, inter-group structures should be considered as alternatives which can promote rather than inhibit community building. Above all, while the task of constructing and populating these developments has proven to be complicated and resource-intensive, the subsequent process of building community and ensuring the sustainability of the developments will require just as much persistence and ingenuity.”

Summary of possible key success factors

To summarize, I would highlight the following success factors for priority attention as the administration designs the Choice Neighborhoods Initiative:

Screening: Who will benefit from the government’s investment in mixed-income development? As Choice Neighborhoods moves us beyond a focus on revitalizing developments to a focus on revitalizing entire neighborhoods – including schools, jobs, and transportation – which low-income residents will get to return on-site to benefit from the revitalization? This will be highly influenced by the delicate balance of screening versus inclusion: screening out

residents likely to create problems for everyone, while screening in as many residents as possible who could make the most of the opportunity.

Property management: It is clear that high quality property management is critical to a successful development but less obvious is the potential for property managers to be central players in the community-building process or to detract from it by imposing their own prejudices and differential treatment of residents

Support services: Housing relocation alone will not change residents' economic circumstances, there needs to be social service and employment supports in place for both pre and post occupancy, not just work supports but social services as well, and these services must be sustained well beyond move-in, thus there are implications for long-term funding, service infrastructure, service integration.

Physical design: The units must be externally indistinguishable and physically integrated and development design should include shared space, common space, green space in order to promote and shape social relations. However, we must anticipate that this will be contested space – raising issues of turf, norms of behavior, and informal social control that should be proactively and inclusively addressed.

Resident engagement and community building: Given the income and racial diversity in the developments, social connections will not happen naturally. “Us and them” perceptions will prevent cross-group participation and must be proactively and creatively addressed. Those associated with the development must identify shared interests, common ground – or else perceived and real differences will likely drive social relations.

Governance and decision-making: in Chicago, condominium associations are the sole formal decision-making body and exclude all renters. The local advisory councils from the

original public housing sites have been disbanded - thus creating tension and increasing divisions. Effective, inclusive governance structures are needed.

Amenities: the lack of local, high quality amenities (restaurants, grocery stores, coffee shops) has been common concern across income levels. This is one area explicitly addressed by Choice Neighborhoods with its focus on school reform and transportation and economic and retail development.

Before closing, one additional critical issue should be mentioned, namely the impact of the current housing market crisis on the mixed-income development strategy. We have observed several impacts of current housing market crisis on mixed-income development in Chicago:

- 1) a freeze or slowdown in for-sale construction, resulting in a change in tenure mix and sequence, with possible adverse effects for marketing, retention and community effects
- 2) delays in handover of governance responsibility to condos
- 3) possible increases in the number of “investors owners” as opposed to resident owners
- 4) possible increases in demands by owners for actions by developers and other local stakeholders to protect the value of their real estate investments – even if those actions have adverse effects on low-income families
- 5) increased delays in neighborhood amenities and retail development
- 6) increased rent delinquency, turnover and eviction among affordable and market-rate renters
- 7) lower resources available to fund community-building activities and other social innovations at the developments .

References

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Pattillo, Mary. 2007. *Black on the Block: The Politics of Race and Class in the City*. Chicago: The University of Chicago Press.

ⁱ I have written, in some cases along with colleagues, extensively about several of the guiding questions proposed by the Subcommittee Chair as a focus for this testimony. I include excerpts from the following papers throughout this written testimony:

Joseph, Mark. (forthcoming) Reinventing Older Communities Through Mixed-Income Development: What Are We Learning From Chicago's Public Housing Transformation? In Susan Wachter et. al. ed. *Reinventing Older Communities: How Does Place Matter?* Penn Institute for Urban Research.

Joseph, L. Mark and Robert J. Chaskin. (in review) Life in a Mixed-Income Development: Resident Perceptions at Two Developments in Chicago. *Urban Studies*.

Joseph, L. Mark and Robert J. Chaskin. 2009. Life in a Mixed-Income Development: Resident Perceptions at Two Developments in Chicago. Research Brief.