

Testimony of Jill Khadduri
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My name is Jill Khadduri. I am a Principal Associate at Abt Associates, a national policy research firm. For several years I have been looking at the relationship between neighborhood revitalization and school quality. I have studied places that have made school improvement a key part of neighborhood change, including Atlanta, St. Louis, St. Paul, Philadelphia, and Baltimore. These studies have been sponsored by the Ford Foundation, HUD, and--most recently--by Enterprise Community Partners.

Thank you, Mr. Chairman and members of the Committee, for giving me the opportunity to testify on the Obama Administration's Choice Neighborhoods proposal. This proposal has many strengths.

The first strength is the breadth of its vision for neighborhood change, which goes way beyond the redevelopment of particular multifamily housing projects or the building of some new housing units. Instead, the draft of the Choice Neighborhoods legislation envisions neighborhood improvement across multiple sectors, recognizing that good housing without access to quality education and jobs will not break the cycle of poverty. This is a new paradigm for community development and takes the next step beyond the HOPE VI program. HOPE VI projects usually did not go beyond the redevelopment of public housing projects, although in some places new mixed income communities created by HOPE VI investments became part of more comprehensive neighborhood change.

Another strength of the Choice Neighborhoods proposal is its focus on neighborhoods with a high potential for becoming strong, healthy communities with long-term viability. Without an insistence that the neighborhoods selected for intensive federal investment either have assets such as proximity to jobs and access to transportation--or serious commitments to building those assets--the investment will be wasted or, worse, add to the isolation of families in poverty from the economic mainstream.

The proposal appropriately insists that any plan for transformation of a neighborhood include effective relocation assistance for people who must move during the redevelopment process. The HOPE VI experience is that most families relocated using vouchers are more satisfied with their housing and neighborhoods than they had been living in distressed public housing. The relocation studies conducted by Sue Popkin of the Urban Institute along with my Abt Associates colleague Larry Buron demonstrate that fact for Chicago, DC, Atlantic City, Durham NC, and Richmond CA. But a lesson learned from HOPE VI is that the help that relocating families received was uneven, and in many places the relocation missed an opportunity to make this another avenue to de-concentrate poverty by helping families move to neighborhoods with high educational and other opportunities.

The Choice Neighborhoods proposal includes a right to return to redeveloped housing for lease compliant tenants who had to relocate during the redevelopment process. This is especially important because of the focus on neighborhoods with high potential. Without a right to return, these neighborhoods could over time lose their income diversity and fail to benefit poor families and their children.

Part of the breadth of vision for neighborhood change is the proposal's focus on school quality. The role of school improvement in Choice Neighborhoods is what I've been asked to talk about today.

But before turning to the specifics of the proposal that relate to schools and school improvement, I would like to suggest that the committee consider the Choice Neighborhoods proposal in the context of another Obama Administration proposal, the Transformation of Rental Assistance or TRA. The TRA will give public housing authorities the opportunity to change the subsidy mechanism for the housing they own to project-based vouchers, leveraging the subsidy to bring in needed capital resources and giving families greater choice in where they live. Over time all of public housing would operate closer to the mainstream rental market. The TRA could bring public housing out of isolation and break down concentrated poverty in a much broader set of locations than those that may be funded by Choice Neighborhoods, including places that start with less extreme poverty in the neighborhood surrounding the public housing project.

The focus of the Choice Neighborhoods proposal on educational opportunity recognizes that a major contributor to the cycle of poverty is the poor quality of the schools available to children who live in high-poverty neighborhoods. However, the legislative proposal for Choice Neighborhoods that was distributed last week could be improved in several ways.

First, the selection criteria that will control the award of Choice Neighborhoods grants include the extent to which the plan for transforming a neighborhood "demonstrates that the residents of revitalized developments will have access to high quality educational opportunities, including early learning and effective K-12 public schools, in or outside of the neighborhood." The "outside of the neighborhood" option worries me. For children in the early childhood and kindergarten through 6th grade age range, access to magnet schools or a district-wide open-enrollment policy is not the same thing as having a high quality school in or adjacent to the neighborhood. Depending on how the admissions process for magnets or out-of-catchment-area schools works, families may or may not have a real opportunity to enroll. Furthermore, parents struggling with the demands of work and child-rearing may not

be able to get their children to schools away from the neighborhood, even if they could be enrolled.

The Choice Neighborhoods proposal should insist on the creation of high-quality schools, whether traditional public schools or public charters, within the neighborhood where the housing is to be revitalized. And the emphasis should be on the school years most relevant to the quality of a neighborhood, early childhood and K-6. That emphasis was in the September 2009 draft of the Choice Neighborhoods legislation and for some reason has been dropped in the latest draft.

Second, the Choice Neighborhoods proposal does not recognize how difficult it is to bring about cross-sectoral change, especially change that includes the creation of high quality elementary schools in neighborhoods where schools have failed. The research that my colleagues and I did on places that have made school improvement part of a neighborhood revitalization strategy found that the creation of high quality neighborhood schools--whether through building on a school improvement already underway or through creating a new school--requires a collaboration that includes stakeholders external to both the housing redeveloper and the school system. I would like to see selection criteria that favor applications based on strong collaboratives that include institutions with a long-term stake in the neighborhood, such as community-based foundations, universities, hospitals, or locally-based corporations--and whose members have enough political clout to make school improvement happen. This collaboration is needed to bring resources to the school, to support the school's principal, and to make sure that the school improvement is sustained through changes of leadership at the school or in the school system.

The Choice Neighborhoods legislative proposal is broad and brief in its characterization of eligible grantees, simply saying that PHAs, CDCs, assisted housing owners, and "other for-profit and non-profit entities" may receive grants. Selection criteria include the extent to which the transformation plan demonstrates inclusive local planning, with input from a wide variety of stakeholders, including

public schools and early learning programs. This is not enough. Having a meeting or two with the school system and demonstrating “input” from a broad range of stakeholders will not bring about the creation and nurturing of a high-quality school in an historically distressed neighborhood. The characterization of eligible grantees and the selection criteria should insist on a formal collaboration with neighborhood stakeholders beyond housing developers and evidence that the collaboration will be sustained over time.

The Choice Neighborhoods proposal also does not recognize sufficiently the resources required to bring about cross-sectoral neighborhood change.

The research that my colleagues and I did on places that have been successful in making a good elementary school a fundamental part of neighborhood change found that resources beyond the standard allocation of public school operating funds to an elementary school are needed--for teacher training, for curriculum improvement, for programming beyond the basic curriculum, and for support for early childhood programs that feed into the elementary school. The selection criteria in the current Choice Neighborhoods proposal include demonstration of the ability to leverage funds, but the language emphasizes other housing resources, including other HUD programs and land donations. I would like to see stronger language on leveraging requirements, including leveraging of state funds for school capital improvements and leveraging and building on other federal resources available for school improvement such as Race to the Top funds, the \$4 billion made available by the Recovery Act for turning around low-performing schools (under the Title I School Improvement grant program), as well as the nascent Promise Neighborhoods program.

Because of the importance of correctly assessing the school improvement dimension of transformation plans and leveraging other federal resources, I suggest that the Choice Neighborhoods legislation provide for an explicit role for educational experts in the grantee selection process--perhaps even a formal role for the US Department of Education.

School quality should also be a key criterion in the definition of acceptable locations for replacement affordable housing in locations outside the Choice Neighborhood. In effect the Administration's proposal requires one-for-one replacement with hard units. Vouchers may only be used as replacement housing if the success rate for families and individuals using vouchers in the community is at least 80 percent. No community has an 80 percent overall success rate for vouchers, because many people taken from waiting lists for a PHA's voucher program don't end up using their voucher for reasons that have nothing to do with the housing market. So in effect the proposal has a requirement for 100 percent hard unit replacement.

The requirement for replacement with hard units brings a danger that the replacement housing will become yet another vehicle for concentrating poor families. The legislative proposal states that replacement housing may not be located in areas of minority concentration or extreme poverty and that it must offer educational and other opportunities comparable to those in the original neighborhood. Once again, this is not good enough. The standards should provide a more detailed definition of an acceptable neighborhood for replacement housing, including whether the location of the replacement housing offers access to high quality schools.

Finally, I offer a comment that comes from my background as a researcher. The Annual Report requirement in the draft legislation asks HUD to report each year on "the impact of grants made under this Act on the original residents, the target neighborhoods, and the larger communities within which they are located." Measuring such impacts cannot be done in the early years of a major effort to change a neighborhood. Instead, HUD should be required to document how grantees have demonstrated the neighborhood's potential for long-term viability such as through objective market analysis and mapping of community assets and how the activities that will be funded and leveraged by the Choice Neighborhood grant will build on that potential. In the enacted law, Congress should also require a true evaluation, with collection of baseline and follow-up data that measures change in the Choice Neighborhood and comparison neighborhoods. The evaluation should also have a

strong component that examines the process of institutional change required for successful neighborhood revitalization, since this is so important for shifting the paradigm of community revitalization.