

# Comment on Mark Joseph's “Is Mixed-Income Development an Antidote to Urban Poverty?”

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## *Abstract*

Joseph's analysis of the literature on mixed-income developments reveals different motives and casts significant doubt on key assumptions about the presumed benefits of that approach. This literature provides more support for the ability of mixed-income developments to enhance social control and help leverage neighborhood political and economic gains. However, some of those advantages could be achieved for low-income households through well-managed housing, careful tenant selection, and good design—without income mixing. Revisiting the early history of public housing suggests some parallels with HOPE VI (Housing Opportunities for People Everywhere) initiatives and casts doubt on the ability of policy makers to sustain socially engineered communities.

The inconclusive endorsement for mixed-income housing proffered by Joseph's analysis suggests the need for further ethnographic research on these communities, including an analysis of the importance of homeownership, the pattern of engagement with public schools, and the advantages of different kinds of income mixing.

**Keywords:** Community development and revitalization; Low-income housing; Poverty

## **Introduction**

Mark Joseph's astute dissection of the motives behind mixed-income development provides a commendable framework for assessing the assumptions that undergird this popular approach. Until policy makers and developers answer his question about whether mixed-income housing is intended “to revitalize the local area and provide additional housing options for urban dwellers, to provide low-income residents with higher-quality housing, to help lift low-income families out of poverty, or some combination of the three” (222) it will be impossible to assess effectiveness—especially if it turns out that some of

these goals are mutually exclusive. By separating out several ways that mixed-income developments could benefit the urban poor, Joseph usefully connects these assumptions to what is known from the literature and thereby allows those involved in housing redevelopment efforts to have a better way to situate claims and measure success.

As he makes clear, proponents justify mixed-income developments (however variously the mix is defined) as facilitating four distinct kinds of gain. The presence of higher-income residents is said to provide (1) increased social capital for low-income residents, (2) informal social control leading to safer and more orderly communities for everyone, (3) direct or indirect role-modeling of social norms for work and behavior, and (4) gains for the broader community through enhanced engagement of political and market forces.

By casting doubt on some of the most frequently claimed (but least adequately documented) benefits, Joseph forces an assessment of some less well examined potential gains fostered by such living environments, particularly those experienced at the broader neighborhood level. At the same time, by pointing out the rather limited support provided by existing research for some of the most widely held assumptions about the value of mixed-income housing, Joseph suggests that it may fall short of meeting some of its major goals. If the large claims made for local or societal value frequently do not meet expectations, this raises questions about the advisability of large public investment in mixed-income developments, especially since—at least when implemented through the HOPE VI (Housing Opportunities for People Everywhere) program—these tend to reduce the already scarce supply of units serving those with the lowest incomes.

Although Joseph's assessment covers a greater range of urban mixed-income developments than just public housing, I am centering my own comments on this subset because the enormous investment of public and private dollars in such places means that the stakes are particularly high. Correspondingly, this suggests that performance expectations for HOPE VI mixed-income developments ought to be equally demanding.

If much of the literature assessing the first and third goals suggests that mixed-income housing often fails to live up to the most cherished assumptions of its promoters, this should give us pause. If the presence of higher-income residents does not always provide assumed benefits for low-income residents in terms of enhanced social capital or behavioral improvement, then one may ask whether these important social goals could be better met by means other than mixed-income developments. Likewise, it is not clear whether the modest support in the literature for the second goal—enhanced informal social control—really depends on having a mixed-income community to achieve it.

Finally, this raises questions about whether the remaining social goal—the fourth justification centered on neighborhood political and economic gains—could be met equally well by other policies.

By broadening the discussion of this important topic, Joseph's article invites readers to revisit larger cultural trends in the provision of urban housing in the United States. At least since the New Deal, housing policy makers have attempted to design and engineer urban neighborhoods to foster particular social and economic aims. Then, as now, policy makers sought to achieve the triple objective of revitalizing an area, providing higher-quality housing, and uplifting low-income tenants (Marcuse 1995). It is important to situate more recent efforts to create mixed-income communities in this larger history. Doing so shows that the four central claims made about mixed-income communities today echo earlier concerns about how best to regain urban investment in depressed areas and how best to curb poor behavior in low-income communities.

The earliest incarnations of public housing in the United States—the pre-World War II efforts of the Public Works Administration (PWA) and the United States Housing Authority (USHA)—all attempted to reduce areas of concentrated poverty through slum clearance. Under USHA guidelines, any new public housing had to be accompanied by an “equivalent elimination” of slum areas. Private sector real estate interests insisted on this to prevent an enhanced supply of government-subsidized affordable housing from unfairly competing with their own efforts. Public housing advocates of the 1930s and 1940s decried slums as the source of disease, dispiritedness, and delinquency and viewed modern public housing as the antidote to both unsanitary conditions and behavioral problems. They argued that constructing public housing would be in the best interests of the poor, but—like many advocates of mixed-income developments today—did not always examine the actual range of outcomes that often countered their assumptions (Vale 2000).

In this commentary, I explore how the four goals that are highlighted in Joseph's article played out in the early years of U.S. public housing, examine why these high aims proved unsustainable, and explore the implications of this for the contemporary mixed-income world of post-public housing.

### **Lessons for mixed-income developments from early public housing**

Let me start with some examples. At Boston's Old Harbor Village project, constructed under the PWA in 1938, more than 10,000 families applied for 1,016 apartments, making entry to public housing there more selective than

entry to any top university. The Boston Housing Authority (BHA) actively discouraged applications from those on public assistance, and prospective tenants were required to have permanent employment, so that even those who held jobs through the Works Progress Administration were excluded. No one then used the term “mixed-income,” but concerted selection efforts yielded a new public neighborhood that became one of South Boston’s most well-off areas, while still accommodating many households that struggled to pay market rents. Not surprisingly, the tenants also paid the neighborhood’s highest median rent. Old Harbor Village, consistent with a century of rationales for government intervention in housing, served as a mechanism for rewarding the barely poor. Heir to such ideals as the Homestead Act of 1862 and various schemes to assist veterans, early public housing sought out the worthiest of the working class, those seen as best able to take advantage of the opportunities for better housing (Vale 2000).

The dense networks of social capital at the new Old Harbor were impressive: The project had 12 softball teams, two Girl Scout and three Boy Scout troops, 12 indoor children’s playrooms, film screenings, a newspaper, a credit union, a symphony orchestra, and numerous other clubs and societies not only dedicated to social and recreational needs, but also providing financial assistance to the needy, health care services to those who were ill, and programs for neighboring children. And, yes, it even had an eight-team bowling league (Vale 2000).

BHA boasted that Old Harbor enjoyed the lowest rate of juvenile delinquency in the city, noting that adjacent neighborhoods had rates that were as much as 40 times higher (Vale 2000). Such gains, however, did not result from modern public housing’s having magically transformed a previously misbehaving group of slum-dwellers. Rather, the sorts of tenants likely to cause trouble were simply not rewarded with an apartment in the new project. Public housing did not solve juvenile delinquency problems in the slums; it merely demonstrated that housing authorities could find well-behaved low-income households somewhere in the city and cluster them together into a safe and well-managed environment where they would remain well behaved. Proponents of these early projects—composed primarily of healthy, employed, two-parent households with young children (as opposed to teens)—simply avoided the more intractable problems of the city’s unemployed or disabled residents and ignored racial and ethnic tensions at the neighborhood level by building segregated facilities.

A second example consists of Boston’s next four public housing projects, constructed in the early 1940s under USHA. Each of these developments directly replaced a razed slum area. Not surprisingly, many of those displaced

by the construction sought entry into the new projects. In fact, between 50 and 80 percent of those living in the area taken to build the four projects applied for a new BHA apartment. Yet careful perusal of the records shows that only between 2 and 12 percent of such households actually gained entry. The reasons were numerous and varied. At base, prospective tenants discovered that the rents charged in public housing were about 50 percent higher than what they had been paying in their former neighborhood. Some were excluded because they were of the wrong race, ethnicity, or citizenship or had the wrong size family (because they lived alone, or with an extended family or with unrelated individuals). Others were not wanted in public housing because they had produced a child out of wedlock, were judged to engage in excessive use of alcohol, or failed to demonstrate a consistent employment record. Still others simply made a bad impression in the interview. In these early days of high demand and no civil rights legislation, public housing authorities could afford to be choosy (Kenney 1941; Vale 2000, 2002).

These residents of early public housing surely had a range of incomes, though the range was set in a deliberately narrow way. If they were too poor, they would be judged too risky to admit; if they were too rich, they would be declared ineligible for continued occupancy and asked to move onward and upward. The extensive social networks of early public housing were also accompanied by high levels of formal and informal social control. Management enforced the rules, and tenants frequently responded by taking personal responsibility for the outdoor common areas adjacent to their apartments. This sort of psychological ownership of the place, perhaps facilitated by the relative homogeneity of the residents, exhibited all of the characteristics of collective supervision that are the hallmarks of Joseph's second type of goal. Similarly, if residents wanted to look for role models (Joseph's third category), early public housing was full of households that used hard work and savings to move on quickly, often even to homeownership ("Public Housing Promotes Home Ownership" 1951). Again, no one called this mixed-income housing then; it was just a collection of families seeking to better their circumstances.

The early BHA also used the arrival of its highly touted new public housing projects to shore up the stability of the neighborhoods surrounding them. In an effort to gradually rid the surrounding neighborhood of unwanted industrial uses and provide support for new retail investment, BHA worked with zoning officials to reclassify adjacent areas as residential and commercial (Vale 2000). Similarly, BHA repeatedly petitioned the Boston Licensing Board to disallow alcohol sales within 500 feet of its developments and filed maps to show the perimeter within which it would object to such sales. As BHA General Counsel Paul Liston put it, "It is the opinion of the Authority that the

proximity of liquor stores, cafes and taverns to its developments is inimical to the welfare and future of the great number of children in its Developments” (Vale 2000, 262–63).

Although BHA largely failed in its various moral policing efforts, its intent is well worth noting. A public authority acting in the interest of its upwardly mobile low-income tenants tried to leverage the sort of political and economic neighborhood investments described in Mark Joseph’s fourth category—the “political economy of place.” The residents of the new public housing were still low income; they just tended to have higher incomes than those who lived in the benighted neighborhoods around them. The situation is akin to contemporary efforts to provide preferences to employed households when selecting tenants—but not parallel to a mixed-income development with market-rate units. In the 1940s, the public sector could still take the lead in facilitating a mix of incomes that could yield safe and desirable planned communities.

The intent here is not to wax nostalgic about an era of public housing that was segregated, brutally exclusive, and overwhelmingly paternalistic. It is merely to point out that there was a time in the United States when public housing authorities themselves tried to achieve all of the objectives now claimed as goals by advocates of mixed-income developments.

### **Unsustainable aims in early public housing**

Over the longer run, of course, many large public housing authorities were unable to deliver on any of the four goals that are now touted for mixed-income communities. The reasons for this are multiple, complex, and too far beyond the scope of this short comment to fully explain. At base, however, public housing communities suffered from some combination of inadequate financial structure, excessive deferred maintenance, poor design, indifferent management, and protracted racial tensions.

These were all accompanied by a gradual shift in the tenant population away from the carefully vetted collectives of the first 20 years, when public housing was regarded as a reward, to a system where public housing became the last stop short of homelessness (or the first stop back) for the least advantaged of U.S. households. Housing authorities responded to the increased desperation of those who applied by admitting them regardless of the problems they might bring. They did so consciously, even conscientiously. As a BHA statement put it in 1965: “The Authority recognizes that not only its statutory responsibility but its moral, public responsibility to accommodate low-income families in need of housing limit its freedom to reject the potentially unacceptable tenant” (quoted in Vale 2000, 316). Further, “families whose standards

make them unacceptable are a responsibility of the community and, so far as their need for low-rent housing is concerned, of the Authority” (quoted in Vale 2000, 316). Such a statement, grounded in an ethic of public obligation, underscores the great distance between this and the original narrow system of selective collectives. Given this experience with public housing, proponents of mixed-income developments may wish to remember that it is not enough to specify a desired mix when a new project opens; the mix must also be carefully monitored and managed for decades afterward.

### **HOPE VI and the legacy of early public housing**

At some level, the HOPE VI program (as the most visible component of the mixed-income impetus in other housing developments) represents an attempt to regain the social structure of the first era of public housing. Unfortunately, HOPE VI takes place at a time when those who are applying for public housing still reflect the desperate demographics of the post-1965 urban reality—specifically, those who want to get in represent the low end of eligibility for public housing rather than the high end. The fundamental underlying context for HOPE VI is the desire—on financial, social, and political grounds—to force public housing back to an earlier model in which it served chiefly the upwardly mobile. This is what initially allowed public housing to be temporary housing, permitted it to be operationally self-sustaining, and yielded a management approach (however paternalistic) that respected the tenants. This earliest model of public housing also carried the politically appealing capacity to abolish the slums that were such visible reminders of urban dangers and economic failure.

When later tragically coupled with urban renewal efforts in the 1950s and 1960s, public housing became transmuted into isolated, peripherally located holding tanks for the poor. As such, while hurting the poor, it nonetheless sometimes facilitated private sector investment in more desirable areas of central cities as a last-ditch effort to reverse the exodus of the white middle class.

Contemporary mixed-income HOPE VI projects share some of the old symbolic political appeal, since they also entail razing the most notorious eyesores in U.S. cities. Now, though, it is not slums that are being cleared but “the projects,” themselves. This, in turn, either catalyzes or reinforces efforts to make depressed or marginal urban areas appealing to developers and more upmarket home-seekers.

## The mixed picture of mixed-income housing

If mixtures of incomes are good because they leverage resources and enforce higher standards, it is worth pressing harder to identify exactly which kinds of mixes are necessary to achieve the desired objectives. Narrow-mix experiments like Chicago's Lake Parc Place may actually provide *more* of the presumed social benefits of mixed-income housing than a wide-mix HOPE VI development (Rosenbaum, Stroh, and Flynn 1998; Vale 1998). In the latter, the gaps between very low income transit-dependent long-term public housing tenants with children versus childless auto-equipped transient households with market-rate apartments or owned homes may simply be too vast for any form of social capital to bridge. The situation may be even more difficult if there are linguistic barriers or racial tensions as well.

If providing greater informal social control and stimulating higher-quality goods and services are the main benefits that mixed-income developments can proffer, it is worth examining more closely just what institutional mechanisms are needed to achieve these benefits. The first goal would mainly seem to be a management and tenant selection challenge. Whatever else the construction of a HOPE VI mixed-income community may be, it is an excuse to rethink the terms of housing management and an occasion to re-select the members of a community. As a book-length study of Boston's Commonwealth Development suggests, however, it is sometimes possible to achieve many of the social goals that are wishfully ascribed to mixed-income public housing without actually allocating any units to market-rate tenants or homeowners (Vale 2002). At Commonwealth—redeveloped a decade before the HOPE VI program existed—BHA, the Commonwealth Tenants Association, a private developer, and a private management company worked together to replace a severely distressed 648-unit housing project with a well-designed, safe, and supportive community. They did so while rehousing the majority of former residents, while continuing to use a citywide public housing waiting list, and while preserving all apartments for low-income and very low income renters. Twenty years after the redevelopment was completed, it was still the best public housing in the city (Vale 2002).

As Joseph observes, "It may be that the combination of strong management and more active informal control by residents is the most effective means of maintaining social order" (220). At Commonwealth, this is just what happened, except that everyone there is a low-income public housing resident.

The Commonwealth example suggests that distressed public housing can sometimes be reclaimed for its residents and for its neighborhood without income mixing. Yet this model seems to have dropped off policy makers' radar screen, presumably because it does not leverage the same sort of additional

private investment that mixed-income developments do and because it fails to reach moderate-income households that are also legitimately struggling to find affordable housing in high-priced cities. Instead, our collective embrace of the mixed-income model reflects the prevailing view that enhancing private investment is what matters most in public housing redevelopment.

If we cared about maximizing the utility of the public housing system for very low income households, we might look at the income mix in developments in a different way (and we would also want to provide more housing vouchers). Right now, the implicit question that is asked when calculating an income mix is, “What, politically speaking, is the minimum number of very low income households that need to be accommodated to make redevelopment financially appealing to private developers and investors?” Combining all of the multiple goals for mixed-income housing, a more equitable approach would be to ask instead, “What is the maximum number of well-screened very low income households that can be accommodated in a mixed-income development while still ensuring a safe and stable community?” Sometimes, as is the case at Commonwealth, that number may even reach 100 percent.

### **Implications for further research**

Several kinds of additional research are needed to more fully understand the dynamics of mixed-income developments. First, further ethnographic studies of such communities are needed to test the apparent finding that the value of direct social exchange between groups is not a major reason to support mixed-income developments. Income mix is a term that is derived from finance and development, not a sociability descriptor. Mix occurs by chance encounter or by facilitated opportunity or by perceived commonality—child-rearer, church-goer, tenant activist, bus commuter, and the like—so a detailed analysis of actual patterns of encounter is necessary before firm conclusions can be reached about the development of social capital and role-modeling. Even if skepticism about these particular social claims continues to predominate, careful ethnographic studies could also assess the other pathways to social and neighborhood gain that are posited in Joseph’s analysis of the literature.

Second, further research is needed to disaggregate the contributions of a homeownership component in mixed-income communities from that of a higher-income renter cohort. These two groups often get conflated or treated interchangeably—as they are in Joseph’s analysis of the literature—but they may actually operate very differently in a community. Most obviously, homeowners (at least those who are financially stable and are not facing foreclosure) may be presumed to have made a long-term commitment to the neighborhood

and may add many of the advantages that the literature observes, whereas market-rate renters may represent a completely different profile, one that is disproportionately transient and less involved with the community.

Third, in assessing the overall success of mixed-income developments in terms of broader community stability and investment, it will be important to study whether higher-income families use neighborhood schools or whether they come to mixed-income developments either because they do not have school-age children or because they can afford to send them to private or parochial schools. If mixed-income developments can indeed provide important political and economic leverage to their surrounding communities, there is no more important institution to support than the public schools. School quality has remained a major stumbling block in efforts to attract more middle-class residents back to central cities, so it is vital to know whether the advent of more mixed-income developments helps lessen this problem—or simply serves to underscore it.

Fourth, it is worth systematically comparing those mixed-income HOPE VI communities that have achieved their deconcentration of poverty by development-based dilution of poverty (keeping the original number of public housing units on site but mixing in some additional units of affordable or market-rate units) versus those that have pursued mixed-income strategies by means of neighborhood-based dispersion (reducing the percentage of low-income housing units on the original site while scattering replacement housing into other communities). In rapidly gentrifying areas, the mixed-income approach can either join the trend and shift the remaining deeply subsidized housing elsewhere or, alternatively, serve as the last chance to preserve some affordable housing in an area where low-income households are being priced out of the market. If the goal is to assess the benefits and costs of mixed-income approaches to low-income residents, higher-income residents, and neighborhood dynamics, then all of these need to be carefully considered together (Popkin, Cunningham, and Burt 2005).

In the end, when it comes to HOPE VI, I find myself in the “fix it, don’t nix it” camp. This means not only attending to the many concerns about slow implementation that have rightfully frustrated so many people, but also looking closely at which models of income mixing are most equitable. The HOPE acronym has been officially translated at various times as both “Homeownership and Opportunity for People Everywhere” and “Housing Opportunities for People Everywhere.” My worry is that it may come to be remembered more cynically as a drive to “House Our Poor Elsewhere.”

The many mixed-income developments built outside the HOPE VI system—assuming that they do not displace existing low-income housing and

households—do not face quite the same equity hurdle. Even so, given the immense challenges facing low-income households seeking affordable housing in U.S. cities, we should still hold all mixed-income developments to high standards. If advocates of such developments do indeed want to pursue a triple goal of area revitalization, better housing quality, and support for low-income households, it may well be that only those narrow-mix models that attempt to maximize—rather than minimize—participation by low-income households have a chance of reaching all three goals simultaneously. At the very least, the issues Joseph raises suggest that policy makers should scrutinize the assumptions that are used to justify mixed-income developments and that researchers should develop more comprehensive methods to assess empirically whether the assumed outcomes are actually being realized.

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