

## Moving Out of Poverty: Expanding Mobility and Choice through Tenant-Based Housing Assistance

Margery Austin Turner  
*The Urban Institute*

### *Abstract*

Historically, federal housing policy has contributed to the concentration of poverty in urban America. Moving out of poverty is not the right answer for every low-income family, but tenant-based housing assistance (Section 8 certificates and vouchers) has tremendous potential to help families move to healthier neighborhoods. This article explores the role of tenant-based housing assistance in addressing the problem of concentrated inner-city poverty.

The Section 8 program by itself does not ensure access to low-poverty neighborhoods, particularly for minority families. Supplementing certificates and vouchers with housing counseling and search assistance can improve their performance; a growing number of assisted housing mobility initiatives are now in place across the country. The U.S. Department of Housing and Urban Development (HUD) should continue to fund these initiatives and increase their number over time. HUD should also strengthen incentives for all housing authorities to improve locational outcomes in their Section 8 programs.

**Keywords:** Mobility; Low-income housing; Programs

### **Introduction**

Among the most urgent challenges confronting urban policy makers today is the concentration of poverty—particularly minority poverty—in central-city neighborhoods. Over the past two decades, the concentration of poverty in central cities has intensified, and the consequences have been devastating—not only for poor families and neighborhoods but for the cities and metropolitan communities in which they are located (Jargowsky 1996). The problems of poor education, joblessness, teen parenthood, homelessness, drug abuse, and violent crime all reinforce one another in high-poverty neighborhoods, perpetuating a vicious cycle of poverty, inequality, isolation, and despair (HUD 1995).

The concentration of poor families in distressed neighborhoods is not a “natural” product of our free-market system but rather the legacy of decades of racial discrimination and segregation. In most

metropolitan areas, poor whites are quite widely dispersed, whereas minorities are far more likely to be geographically concentrated (Jargowsky 1996; Turner and Hayes 1997). Historically, federal housing policy has played a significant role in creating this legacy, contributing to both racial segregation and poverty concentration (Massey and Denton 1993). Today, almost 6 of 10 public housing residents (59 percent)—and over two-thirds of African-American residents (69 percent)—live in high-poverty neighborhoods (Goering, Kamely, and Richardson 1994). And in many inner-city communities, the overconcentration of public and assisted housing has contributed to a downward spiral of neighborhood distress and disinvestment (Schill and Wachter 1994).

There is no single, one-dimensional remedy for the problem of concentrated poverty. Instead, long-term solutions will require a combination of initiatives that simultaneously revitalize distressed neighborhoods, promote job growth in the central city, link job seekers to suburban employment opportunities, and open up affordable housing opportunities in low-poverty areas. Within this context, tenant-based housing assistance (the Section 8 certificate and voucher programs) constitutes one essential tool. Tenant-based assistance supplements what low-income families and individuals can afford to pay for housing in the private market. This assistance can help poor families move out of distressed inner-city neighborhoods to neighborhoods that offer better opportunities and quality of life.

This article explores the role of tenant-based housing assistance in addressing the problem of concentrated inner-city poverty. It begins by summarizing the social science evidence that living in a high-poverty neighborhood has destructive consequences for families and children, and that moving to a low-poverty community can yield profound benefits. The next section presents data on how well the Section 8 program is currently performing, both at a national scale and in selected metropolitan areas. The third section describes the growing number of assisted housing mobility programs operating across the country and outlines the lessons they are learning about how to help families choose neighborhoods that are best for them. Finally, the article concludes with three practical recommendations for strengthening the Section 8 program so that it more effectively promotes mobility and location choice for low-income families. Specifically, HUD should use its new management assessment procedures to create stronger incentives for housing authorities to focus on residential mobility and locational outcomes among Section 8 recipients. Regulatory and administrative barriers that now make it difficult for families to move between jurisdictions within a metropolitan housing market should be eliminated. And the number and scale of regional housing mobility initiatives funded by the federal government should be gradually expanded.

## Location matters for families and children

A growing body of social science research indicates that housing mobility can yield dramatic improvements in the life chances of poor families. Empirical studies generally conclude that conditions in the neighborhoods where people live influence a wide range of individual outcomes, including educational attainment, criminal involvement, teen sexual activity, and employment. High poverty rates, the absence of affluent or well-educated neighbors, high unemployment, high rates of welfare reciprocity, and the absence of two-parent families have all been found to affect important outcomes for children and families.<sup>1</sup>

The largest volume of empirical research has focused on how neighborhood conditions affect adolescents, and the evidence is strong that a teenager's neighborhood environment has at least some impact on educational attainment, employment, sexual activity, teen parenthood, and involvement in crime. Far less empirical research has explored the impacts of neighborhood conditions during the elementary school years, despite solid theoretical reasons to expect school quality, peer groups, adult role models, and crime or violence to influence the intellectual and emotional development of young children.

Although neighborhood effects are generally much smaller than the effects of family influences (such as parents' income, socioeconomic status, or educational attainment), there is some evidence to suggest that families with the most limited resources may be the most vulnerable to neighborhood conditions. For example, children whose parents did not finish high school might be adversely influenced by the poor quality of the local public schools, whereas parents who were highly educated could compensate more effectively for poor school quality. Neighborhood conditions may also be highly nonlinear in their effects on families and children. In other words, there may be critical thresholds, below which neighborhood problems (such as poverty, unemployment, or crime) have little impact on residents. But once the incidence of a problem exceeds the threshold, effects for families and children in the neighborhood may escalate (Quercia and Galster 1997).

In addition to the general evidence on the negative effects of high-poverty neighborhoods, findings from the Gautreaux program in Chicago indicate that the opportunity to move away from a distressed, high-poverty neighborhood can provide a route to economic independence for poor families. In the Gautreaux program, African-

---

<sup>1</sup> For an exhaustive review of the research literature on neighborhood effects, see Ellen and Turner (1997).

American families who were residents of public housing or eligible to move into public housing received special-purpose Section 8 certificates. These certificates could only be used to move to predominantly white or racially mixed neighborhoods; families not willing to make this move did not receive the assistance. In addition to the housing certificates, Gautreaux families received support and counseling from a nonprofit organization (Chicago's Leadership Council for Metropolitan Open Communities), which helped them find suitable rental housing in white neighborhoods.<sup>2</sup>

Although the Gautreaux Program was intended primarily as a desegregation remedy, moving out of the central city resulted in significant improvements in the employment experience of adults and dramatic improvements in the prospects of their children. In particular, children of families who moved to suburban neighborhoods were much more likely to complete high school, take college-track courses, attend college, and enter the workforce than children from similar families who moved to neighborhoods within the central city (Rosenbaum 1991, 1995).<sup>3</sup>

The encouraging evidence from Gautreaux led to national legislation calling on HUD to test housing mobility strategies further. Specifically, the Moving to Opportunity (MTO) demonstration helps families who live in public and assisted housing developments in very high-poverty neighborhoods (more than 40 percent poor) move to neighborhoods with low poverty rates (less than 10 percent poor). In order to test definitively the impacts of housing mobility, MTO includes a carefully controlled experimental design. Over the long term, this design will provide new insights into the role that neighborhood plays in shaping the life chances of families and children.<sup>4</sup>

Preliminary findings from the MTO demonstration indicate that families who move to low-poverty neighborhoods consistently ac-

<sup>2</sup> The Gautreaux Program began in the late 1970s as part of a court-imposed desegregation remedy. The litigation that produced this settlement proved that the Chicago Housing Authority and HUD had been guilty of racial discrimination and segregation in the location of projects and the assignment of families to projects. See Davis (1993).

<sup>3</sup> These results should be interpreted with caution, both because the analysis samples are quite small and because families who moved to the suburbs as part of the Gautreaux experiment may differ systematically from those who moved to central-city neighborhoods and from other eligible families.

<sup>4</sup> Eligible families who volunteered to participate in MTO were randomly assigned to three experimental groups. The MTO group receives special-purpose certificates and assistance in finding and moving to housing in low-poverty neighborhoods; a comparison group receives conventional Section 8 certificates; and an in-place control group continues to receive project-based housing assistance. For more information on the MTO demonstration, see HUD (1996).

complete their own immediate objective: to escape from crime and violence. More than half (54.8 percent) of the families who applied to participate in MTO said crime was the primary reason they wanted to move; another 30.8 percent said it was their secondary reason. Moreover, nearly half of the applicants (47.8 percent) reported that they had been victims of crime within the past six months (HUD 1996). Early findings show that families who moved to low-poverty neighborhoods through MTO felt dramatically safer and more secure, whereas comparable families who remained in their original neighborhoods continued to experience high levels of crime and violence. There is also evidence that greater safety and security among families who moved translates into less stress and better mental and physical health among both adults and children.<sup>5</sup>

Although the social science evidence concerning how neighborhood conditions affect residents is not yet conclusive, there is a growing consensus among researchers, advocates, and policy makers that the concentration of poverty in inner-city neighborhoods is harmful to residents and to the larger urban community. Therefore, federal housing programs should not concentrate poor families in high-poverty neighborhoods. Nor should public policy reinforce patterns of racial and ethnic segregation by concentrating minority families in predominantly nonwhite neighborhoods.

### **Tenant-based assistance offers better locational outcomes than project-based assistance**

Tenant-based housing assistance has the potential to help counteract patterns of poverty concentration and racial segregation by enabling low-income renters to find and afford housing in neighborhoods throughout the metropolitan region. Today, roughly one-third of the 4.8 million low-income renters subsidized by HUD receive tenant-based assistance (Newman and Schnare 1997). These households live in conventional apartments and rental houses owned by private landlords, not in publicly owned or publicly financed properties built specifically for occupancy by the poor. Section 8 recipients contribute a fixed proportion of their income toward rent, and their landlords receive the remainder (up to a federally established Fair Market Rent [FMR]) from the local housing authority.

Nationally, tenant-based assistance is far less likely than public housing programs to concentrate needy households in high-poverty neighborhoods. Only 14.8 percent of certificate and voucher recipi-

---

<sup>5</sup> Early findings from research on the MTO demonstration were presented at a conference convened by HUD's Office of Policy Development and Research in the fall of 1997. A final conference volume is forthcoming from HUD.

ents live in high-poverty neighborhoods (greater than 30 percent poor) and 27.5 percent live in low-poverty neighborhoods (less than 10 percent poor).<sup>6</sup> In contrast, 53.6 percent of public housing residents live in high-poverty neighborhoods and only 7.5 percent live in low-poverty neighborhoods. Subsidized housing developments that are privately owned (but developed primarily for occupancy by the poor) are not as concentrated as public housing. Nevertheless, residents of these properties are significantly more likely to live in high-poverty neighborhoods than certificate and voucher recipients. Specifically, 21.9 percent of assisted housing residents live in high-poverty neighborhoods, compared with 14.8 percent of certificate recipients (Newman and Schnare 1997).<sup>7</sup>

The performance of tenant-based assistance varies considerably across housing markets, based on the availability and location of affordable rental housing, the extent of poverty concentration, and the intensity of racial and ethnic segregation. Therefore, six very different metropolitan areas—Buffalo, NY; Dallas, TX; Dayton, OH; Omaha, NE; San Jose, CA; and Tampa, FL—were analyzed to determine how certificates and vouchers compare with public and assisted housing developments in terms of locational outcomes.<sup>8</sup> Although these six metropolitan areas are not statistically representative of metropolitan housing markets nationwide, they reflect important differences (in terms of region, size, racial composition, and poverty) that may affect the performance of tenant-based housing assistance (see table 1).<sup>9</sup>

In these six metropolitan areas, certificates and vouchers consistently outperform public housing in terms of locational outcomes (see table 2).<sup>10</sup> Certificate recipients are less likely to live in high-poverty or majority black neighborhoods in Buffalo, Dallas, Dayton, Omaha, and Tampa. Only in San Jose, where no public housing

<sup>6</sup> This article follows a growing convention of defining neighborhoods as “high-poverty” when the poverty rate exceeds 30 percent. Neighborhoods that are less than 10 percent poor are defined as “low-poverty.”

<sup>7</sup> The characteristics of households (including their race, ethnicity, and income) may differ significantly across these programs so that differences in locational outcomes may not be attributable entirely to the program.

<sup>8</sup> Results presented in the remainder of this section are reported in greater detail in Turner (1998).

<sup>9</sup> The six metropolitan areas were selected to reflect the diversity of housing market conditions and assisted housing inventories across the United States. Initially, 31 metropolitan areas were considered for selection based on the availability of complete data on housing locations in HUD’s newly available database, *A Picture of Subsidized Households—1997*. Buffalo, Dallas, Dayton, Omaha, San Jose, and Tampa were selected to provide variation in terms of region, size, racial composition, poverty rates, and the composition of the assisted housing inventory.

units are located in high-poverty neighborhoods, is the performance of public housing comparable to that of certificates. Public housing does not appear any more likely than certificates to concentrate assisted households in Hispanic neighborhoods, however. Buffalo is the only metropolitan area where certificate recipients are more likely to live in majority Hispanic neighborhoods than are public housing residents.

*Table 1. Summary Characteristics of Selected Metropolitan Areas*

Metropolitan Area	Region	Size	Percent Black	Percent Hispanic	Poverty Rate
Buffalo, NY	Northeast	small	high	low	high
Dallas, TX	Southwest	large	high	high	medium
Dayton, OH	Midwest	small	high	low	high
Omaha, NE	Midwest	small	low	low	low
San Jose, CA	West	medium	low	high	low
Tampa, FL	Southeast	large	medium	medium	medium

*Source:* Turner (1998).

*Note:* See table A-1 for underlying data.

*Table 2. Performance of Certificates Compared to Public Housing*

Metropolitan Area	Percent High-Poverty	Percent Majority Black	Percent Majority Hispanic
Buffalo, NY	+	+	+
Dallas, TX	+	+	=
Dayton, OH	+	+	NA
Omaha, NE	+	+	NA
San Jose, CA	-	NA	-
Tampa, FL	+	+	=

*Source:* Turner (1998).

*Note:* See table A-2 for underlying data. NA = not applicable.

The performance of certificates relative to privately owned (but federally subsidized) housing developments is more mixed (see table 3). In Buffalo, Dallas, Dayton, and Tampa, certificate recipients are less likely to live in high-poverty neighborhoods. But the differences

<sup>10</sup> This analysis focuses on the extent to which program participants live in high-poverty neighborhoods or majority nonwhite neighborhoods. As discussed earlier, these neighborhoods may not necessarily yield bad outcomes for individual families, but it is an undesirable outcome for public policy to consistently concentrate poor and minority families in neighborhoods of this type.

are much smaller than for public housing. There is no evidence that assisted housing developments consistently concentrate households in predominantly black or predominantly Hispanic neighborhoods. In fact, in Buffalo, Dayton, and Omaha, certificate recipients are more likely than assisted housing residents to live in predominantly black neighborhoods.

*Table 3. Performance of Certificates Compared with Assisted Housing*

Metropolitan Area	Percent High-Poverty	Percent Majority Black	Percent Majority Hispanic
Buffalo, NY	+	-	+
Dallas, TX	+	=	=
Dayton, OH	=	-	NA
Omaha, NE	-	-	NA
San Jose, CA	=	NA	-
Tampa, FL	+	+	=

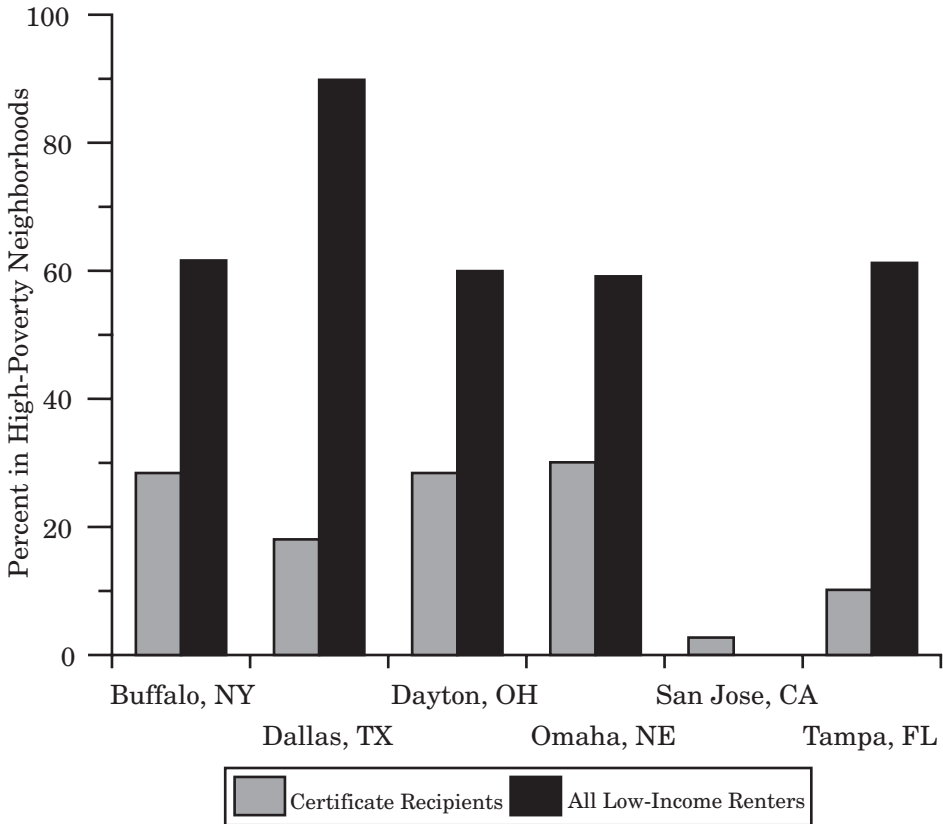
*Source:* Turner (1998).

*Note:* See table A-2 for underlying data. NA = not applicable.

In all six of the metropolitan areas studied here, certificate recipients are less likely to live in high-poverty neighborhoods than the total population of low-income renters (see figure 1). However, certificate recipients do not appear to be consistently less likely to live in predominantly black or Hispanic neighborhoods than other low-income renters. In Dallas and Tampa, tenant-based assistance recipients are less likely to live in majority black neighborhoods than other low-income renters, but in Dayton and Omaha, tenant-based assistance recipients are *more* likely to live in black neighborhoods. Similarly, tenant-based assistance recipients in Buffalo are less likely to live in majority Hispanic neighborhoods than other low-income renters, whereas tenant-based assistance recipients in Dallas and San Jose are *more* likely to live in Hispanic neighborhoods.

In some metropolitan areas, the locational performance of tenant-based assistance may be constrained by the availability of rental units with rents at or below applicable FMRs. If few units below the FMR are located in low-poverty or low-minority neighborhoods, assistance recipients cannot use their certificates or vouchers in these neighborhoods. However, in four of the six metropolitan areas studied here, the share of below-FMR rental units in low-poverty neighborhoods exceeds the share of certificate recipients (see figure 2). In other words, certificate holders appear to be significantly underrepresented in low-poverty neighborhoods (relative to the availability of below-FMR units). In three of the six metropolitan areas

**Figure 1. Location of Certificate Recipients Compared with All Low-Income Renters**

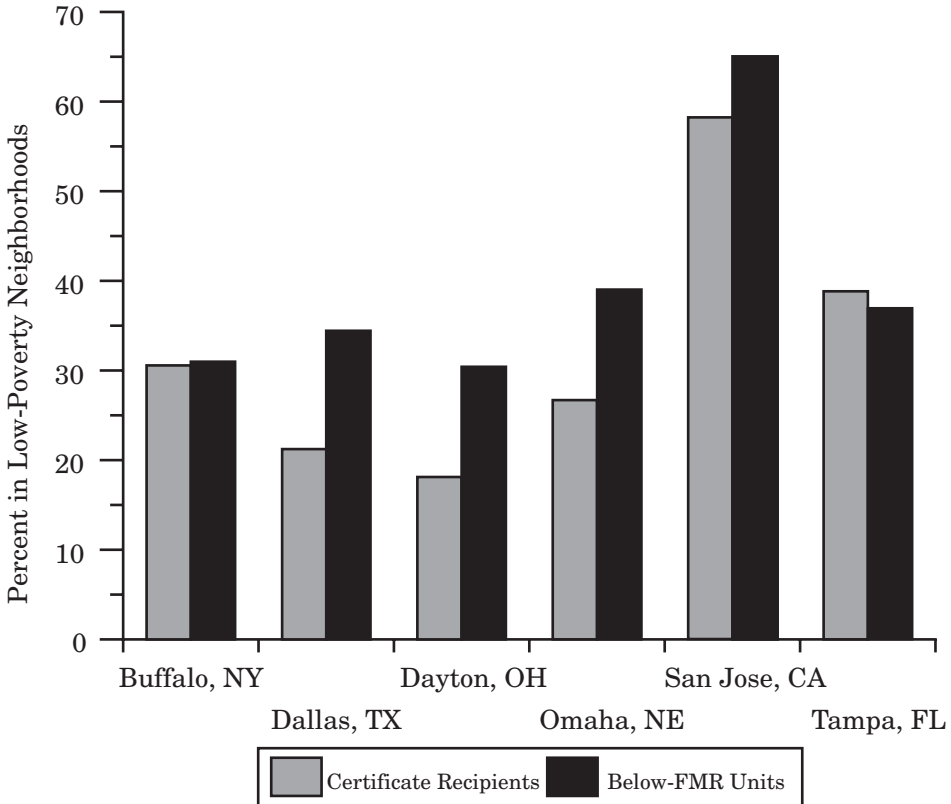


Source: Turner (1998).

studied, the share of below-FMR rental units in predominantly white neighborhoods also exceeds the share of certificate recipients.

The Section 8 program does not automatically ensure access to low-poverty and low-minority neighborhoods for all poor households. In all six of the metropolitan areas examined, tenant-based assistance produces better locational outcomes in suburban areas than in central cities, for white recipients than for African Americans and Hispanics, and for the elderly than for nonelderly families and disabled people. For example, in five of the six areas studied here, the share of black and Hispanic certificate holders living in high-poverty neighborhoods far exceeds the share of whites (see figure 3). Suburban residents, whites, and elderly Section 8 recipients are all unlikely to live in high-poverty or high-minority neighborhoods. Tenant-based assistance still consistently outperforms public

*Figure 2. Location of Certificate Recipients Compared with below-FMR Rental Units*



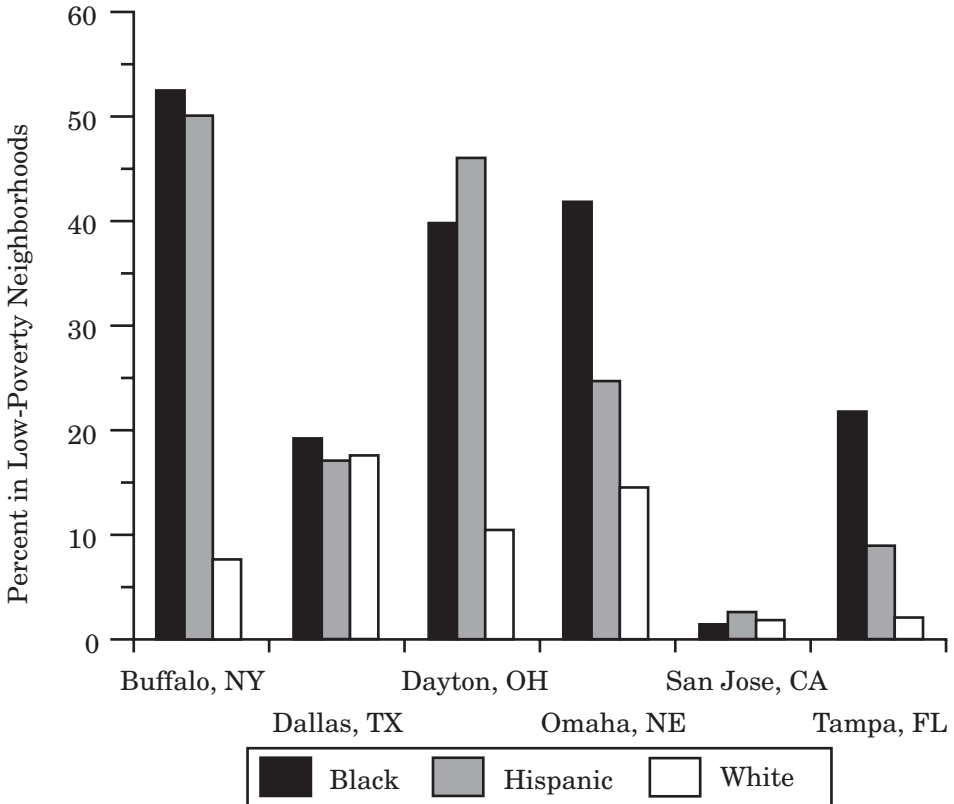
Source: Turner (1998).

housing even in central cities, even among African Americans and Hispanics, and even among families and disabled recipients. But it clearly has the potential to offer better locational outcomes for these groups.

**Housing counseling and search assistance programs make a difference**

In cities across the country, nonprofit organizations are working with local housing authorities to supplement the Section 8 program, so that it more effectively enhances mobility opportunities. These assisted mobility programs provide counseling and search assistance to Section 8 recipients, helping them learn about available housing opportunities and choose a neighborhood that best meets their needs. Although there is considerable variation among local

Figure 3. Location of Certificate Recipients: Blacks, Hispanics, and Whites



Source: Turner (1998).

mobility programs—due to differences in local goals and housing market conditions—practitioners are learning what it takes to maximize the potential of certificates and vouchers to provide real residential choice to low-income families.<sup>11</sup> Today, five major categories of mobility initiatives bring the total number of assisted mobility programs to 54 (in 33 different metropolitan regions):

1. *Litigation*—programs established and funded as part of the settlement of litigation against HUD and housing authorities for past discrimination and segregation in public and assisted housing programs

<sup>11</sup> This section draws from Turner and Williams (1998), which reports on a national conference of assisted housing mobility practitioners held in September 1997.

2. *Moving to Opportunity*—programs funded and supervised by HUD’s Office of Policy Development and Research as part of a systematic research demonstration on the effects of moving to a low-poverty neighborhood
3. *Vacancy consolidation*—programs funded by HUD to assist public housing residents who must move because their buildings are being demolished
4. *Regional opportunity counseling initiative*—programs funded by HUD to promote regional collaboration and access to opportunity in the operation of the Section 8 program as a whole
5. *Other*—programs operated by local housing authorities without special funding or oversight from HUD

Table 4 lists current programs and locations for each of these categories.

The fundamental goals of mobility assistance—reversing the legacy of poverty concentration and racial segregation, opening up access to opportunities for assisted families, and promoting upward mobility and long-term self-sufficiency—are common across all these programs. But because of the multiple origins of housing mobility pro-

*Table 4. Assisted Housing Mobility Programs*

Litigation	Moving to Opportunity	Vacancy Consolidation	Regional Opportunity Counseling Initiatives	Other
Allegheny County, PA	Baltimore, MD Boston, MA	Atlanta, GA Boston, MA	Baltimore, MD Boston, MA	Alameda County, CA
Baltimore, MD	Chicago, IL	Chester, PA	Cincinnati, OH	Baltimore, MD
Boston, MA	Los Angeles, CA	Columbus, OH	Dallas, TX	Chicago, IL
Buffalo, NY	New York, NY	Dade County, FL	Grand Rapids, MI	Cook County, IL
Chicago, IL		Detroit, MI	Hartford, CT	Hartford, CT
Cincinnati, OH		Hartford, CT	Milwaukee, WI	
Dade County, FL		Indianapolis, IN	Minneapolis/ St Paul, MN	
Dallas, TX		Jacksonville, FL	New Jersey	
Indianapolis, IN		Jersey City, NJ	New Orleans, LA	
Minneapolis/ St. Paul, MN		Kansas City, MO	Philadelphia, PA	
New Haven, CT		New Orleans, LA	Riverside, CA	
Omaha, NE		Philadelphia, PA	Rochester, NY	
Rochester, NY		San Antonio, TX	San Diego, CA	
		Washington, DC	Springfield, MA	
			Washington, DC	

Source: Turner and Williams (1998).

grams, program designs and even local programmatic objectives vary considerably. Both litigation-based and MTO programs set aside certificates for families who are willing to make dramatic changes in their neighborhood circumstances. All litigation-based programs are remedies for illegal racial discrimination and segregation, and their primary goal is to offer minority households the opportunity to live in racially diverse or predominantly white neighborhoods. They offer special-purpose certificates to members of the plaintiff class and either require or strongly encourage recipients to use their assistance in low-minority neighborhoods. MTO programs do not explicitly take race into account but rather are designed to help families move from high-poverty public and assisted housing developments to low-poverty neighborhoods. Families who receive MTO certificates can use their assistance only in neighborhoods with poverty rates below 10 percent.

In contrast, the Vacancy Consolidation and Regional Opportunity Counseling Initiatives do not impose any restrictions as to where families can use their housing certificates. Instead, they seek to expand the choices available to participating families through landlord outreach, counseling, and housing search assistance. Most of these programs encourage families to move to low-poverty areas (defined differently in different jurisdictions) but leave the final decision to the family. In other words, the certificates (or vouchers) these families receive can be used in any type of neighborhood. Similarly, voluntary programs promote choice and mobility within the regular Section 8 program, offering assistance and encouragement but not restricting where participating families can use their certificates.

In addition to these important differences in program design, the scope, content, and intensity of housing mobility counseling vary dramatically across local programs. Some programs focus almost exclusively on helping families find an affordable housing unit in a low-poverty or low-minority neighborhood. Others link mobility to intensive case management and self-sufficiency counseling, helping families address personal problems of health, education, and employment as well as issues of moving.<sup>12</sup> Still others stress motivational counseling and housing search coaching to enable families to find housing by themselves. Many programs provide ongoing support and problem-solving assistance to families (and landlords) for several months after they move. A few provide such services for several years, and some offer “second move” counseling and even homeownership assistance.

---

<sup>12</sup> Some of the Regional Opportunity Counseling programs are attempting to link mobility counseling with their existing Family Self-Sufficiency programs to provide integrated support to assisted families.

Despite these important variations in goals and design, all mobility programs generally include three basic components: (1) initial briefings and assessments; (2) direct assistance with housing search; and (3) postmove follow-up services. Most practitioners agree that an effective mobility program must go beyond the move itself and address at least some of the other barriers to successful mobility and self-sufficiency that families face. And some follow-up contact and assistance must be provided for at least a few months after participating families move to a new neighborhood.

Assisted housing mobility programs appear to significantly improve locational outcomes for tenant-based assistance recipients, resulting in greater mobility to low-poverty and low-minority neighborhoods for families who might otherwise find it difficult to move out of distressed, inner-city neighborhoods. Chicago's Gautreaux program, with the longest history of any assisted mobility program, has counseled roughly 25,000 families and assisted almost 7,000 to move to neighborhoods that are less than 30 percent African American. More recent litigation programs involve much smaller set-asides of certificates. Placement rates vary substantially across more recent programs, reflecting variations in market conditions and in programmatic activities. On average, however, approximately 40 percent of families who receive counseling through litigation-based counseling programs have been successful in moving to housing in the target neighborhoods, and 48 percent of those counseled through MTO have been successful in moving to low-poverty neighborhoods.<sup>13</sup>

Critics of assisted housing mobility raise three major concerns about its efficacy for both individual families and for neighborhoods. First, some argue that the out-migration of highly motivated families may rob poor neighborhoods of needed talent, leadership, and role models, leaving inner-city neighborhoods even worse off than they were before (Mac Donald 1997). As yet, however, there is no empirical evidence that all motivated families choose to leave distressed neighborhoods or that the movers were playing a leadership role in their communities prior to leaving.

Second, many knowledgeable observers of the Section 8 program have raised concerns about the reconcentration of assisted families in previously nonpoor neighborhoods and the potential negative effects on these receiving communities (Briggs 1997). This is indeed a serious concern, particularly as assisted housing mobility programs

---

<sup>13</sup> Performance data were reported in the summer of 1997 by assisted housing mobility program administrators (Turner and Williams 1998). Also see Goering, Kamely, and Richardson (1995) for evidence on the performance of mobility programs.

are scaled up over time. Housing counselors must continuously seek new and dispersed housing opportunities for their clients to avoid creating new clusters of poverty in neighborhoods where affordable rental housing is available.

Finally, critics argue that many mobility programs “cream” potential participants, providing assistance to families who are the most motivated and well equipped to move. If this is the case, these families might have moved to low-poverty neighborhoods even without assistance.<sup>14</sup> The MTO demonstration, which randomly assigns eligible applicants to receive either conventional Section 8 assistance or enhanced mobility assistance, will soon provide more definitive results about the impacts of mobility counseling. In the meantime, however, the evidence is fairly strong that well-designed housing counseling and search assistance can help families negotiate the housing market and overcome barriers to mobility and choice.

### **The federal government can do more**

Federal support for assisted housing mobility has expanded dramatically during the past five years, but the vast majority of Section 8 programs still have no explicit mobility component. And, as illustrated earlier, certificates and vouchers do not always achieve their full potential, particularly for minorities living in central cities. The federal government can and should do more to ensure that all certificate and voucher recipients have the opportunity to exercise real choice about where to live.

One strategy for achieving this goal would be to replace the current balkanized system of administration by local housing authorities with regional administration of the Section 8 program. This approach might overcome the political pressures that discourage local housing authorities from promoting mobility across jurisdictional lines. However, it is probably infeasible, at least in the short term, because little capacity exists in most metropolitan areas to administer certificates and vouchers regionally (Feins et al. 1997).

Short of a radical overhaul, HUD can significantly improve the capacity of the Section 8 program to enhance real mobility and choice. Specifically, HUD should create stronger incentives for housing authorities to focus on residential mobility and locational outcomes.

---

<sup>14</sup> Moreover, the mobility programs with any significant record of performance *require* families to move to low-poverty or low-minority neighborhoods as a condition of assistance. Therefore, it is unclear whether the mobility counseling and search assistance, in conjunction with conventional certificates and vouchers, will have any effect. The Regional Opportunity Counseling Initiative is the first major effort to test this question, and these programs have not yet been in operation long enough to yield meaningful data on success rates.

Regulatory and administrative barriers that now make it difficult for families to move between jurisdictions within a metropolitan housing market should be eliminated. And the number and scale of assisted housing mobility initiatives should be gradually expanded.

Some opponents of assisted housing mobility argue that such reforms would exceed the statutory mission of the Section 8 program. But in fact, the Housing and Community Development Act of 1974, which created the Section 8 program, explicitly established mobility and poverty deconcentration as central goals. It called for “reduction of the isolation of income groups within communities and geographical areas and the promotion of an increase in the diversity and viability of neighborhoods through the spatial deconcentration of housing opportunities for persons of lower income” (42 USC §5301) and for “aiding low-income families in obtaining a decent place to live and of promoting economically mixed housing” (42 USC §1437f).

Despite this statutory language, many Section 8 program managers do not consider it their responsibility to address the problem of concentrated poverty in their communities. HUD needs to create stronger incentives for housing authorities to focus on residential mobility and locational outcomes. Until 1993 neighborhood choice and poverty deconcentration were not explicitly articulated by HUD as goals that housing authorities should be pursuing, and even today, this message is not always forcefully or consistently delivered.

HUD is currently developing a Section 8 Management Assessment Program (SEMAP) that will score housing authorities on the quality of their performance in managing the Section 8 program. Although SEMAP is intended to improve public housing authority (PHA) performance across a wide range of dimensions, locational outcomes should be a significant component of the score, so that housing authorities are penalized if a large share of certificate and voucher recipients are concentrated in high-poverty neighborhoods and rewarded if they have been successful in helping families gain access to low-poverty neighborhoods. This kind of incentive structure does not mean that every family receiving Section 8 assistance must be pressured into moving to a low-poverty neighborhood. But it would encourage housing authorities to expand opportunities aggressively in low-poverty neighborhoods and to provide meaningful information and encouragement to families who might be interested in moving.

Housing authorities that do not manage their programs effectively are likely to have difficulty convincing property owners in desirable neighborhoods to participate. For example, if PHAs are slow to inspect units and approve lease agreements, or do not consistently

make rental payments on time, landlords who have other potential tenants will refuse to rent to Section 8 recipients. The only units that will be available for Section 8 families will be those for which there is little market demand. Therefore, all aspects of the management assessment are potentially relevant to mobility efforts (Turner and Williams 1998).

HUD should also encourage housing authorities to seek exceptions to FMR ceilings if necessary to open up low-poverty areas to certificate and voucher recipients. HUD-established FMRs play a critical role in determining the availability of units for Section 8 recipients in desirable neighborhoods. FMRs are set to be no higher than 40 percent of all recently rented, decent-quality rental units in a metropolitan area.<sup>15</sup> And they are used to calculate the amount of subsidy the federal government will provide for a Section 8 participant. If FMRs are low relative to prevailing rent levels in a target neighborhood, Section 8 participants will have difficulty obtaining housing there. Program rules permit PHAs to apply for “exception rents” above the established FMRs. Currently, procedures for doing so are in flux, as HUD moves closer to integrating the certificate and voucher programs and as field offices attempt to be more responsive to PHA requests. Not much formal (published) policy governs this process, and field offices have considerable discretion in deciding whether to grant PHA requests.

Regulatory and administrative barriers that make it difficult for families to move between jurisdictions within a metropolitan housing market should be eliminated. Often, individual housing authorities within a metropolitan area use different application forms for the Section 8 program, require in-person applications, or provide preferences for existing residents of the jurisdiction. These practices make it difficult for families to apply for assistance in different jurisdictions within their housing market area. Moreover, the administrative hurdles involved in “portability”—when a family receives a certificate or voucher from one jurisdiction but uses it to rent housing in another—are daunting and often discourage families from searching outside their immediate area (Tegeler, Hanley, and Liben 1995).<sup>16</sup> HUD should step up its efforts to minimize or eliminate these barriers. But in addition, it should recognize and reward housing authorities that collaborate with one another to create a tenant-based assistance program that functions effectively region-

---

<sup>15</sup> Until 1995 FMRs were set at the 45th percentile of area rents.

<sup>16</sup> It should be noted that even if HUD and local PHAs removed all regulatory barriers and made housing assistance fully portable, discriminatory and exclusionary practices in many jurisdictions would prevent a full deconcentration of poverty. Thus, it is essential that governments remove all existing barriers to portability, if only to focus attention on remaining market discrimination.

wide (Feins et al. 1997). Examples of practical measures that local housing authorities can take include regular meetings among Section 8 directors to address problems, sharing of forms and procedures, formal memoranda of understanding detailing obligations and commitments of each PHA in a regional partnership, and adoption of common forms and procedures among all PHAs in a metropolitan region.

Finally, HUD should gradually expand the number and scale of assisted housing mobility initiatives nationwide. All housing authorities should be expected to promote neighborhood choice and poverty deconcentration as part of their regular administration of the Section 8 program. However, in metropolitan areas with large concentrations of poverty and significant barriers to mobility, additional funding may be needed over the long term to support housing counseling and search assistance. As a general principle, this funding should go to organizations with a proven record of counseling and assisting low-income families and with the capacity to provide information and access to housing opportunities regionwide. Although these regional initiatives should enjoy considerable flexibility and discretion to design a program that responds to local circumstances, they should be held accountable for results, through a set of objective performance measures, collected and reported on a regular basis.<sup>17</sup>

Historically, much of federal housing policy has contributed to or exacerbated the concentration of poverty in urban America. Moving out of poverty is not the right answer for every low-income family, nor is it the sole approach that the federal government should be pursuing in distressed urban neighborhoods. But federal housing policy should maximize opportunities for families to move to low-poverty neighborhoods if they choose. Living in a distressed, high-poverty neighborhood can have serious consequences for families with children, and evidence from existing mobility programs indicates that moving to a healthy neighborhood—where the streets and playgrounds are safe, where the schools are effective, and where work is the norm—can yield profound benefits.

Tenant-based housing assistance has tremendous potential as a tool for helping families move to neighborhoods that offer better quality of life and access to opportunities. On its own, this program does not automatically ensure access to low-poverty neighborhoods—particularly for minority families. Supplementing the Section 8 program with housing counseling and search assistance can significantly improve its performance, and a growing number of assisted housing mobility initiatives are now in place across the country.

---

<sup>17</sup> See Turner and Williams (1998) for suggested performance measures.

HUD should continue to fund these initiatives and gradually increase their number over time. In addition, however, HUD should create stronger incentives for all housing authorities to improve locational outcomes in their Section 8 programs and should reduce the regulatory and administrative barriers that impede families' efforts to move out of poverty.

Table A-1. Characteristics of Selected Metropolitan Areas

	Total Population		Percent Black		Percent Hispanic		Poverty Rate (Percent)	
	City	Suburbs	City	Suburbs	City	Suburbs	City	Suburbs
Buffalo	328,123	640,409	30.71	1.39	4.66	0.90	25.62	5.43
Dallas	1,228,184	1,325,178	25.64	7.21	19.17	9.36	17.15	7.36
Dayton	252,531	698,739	34.08	5.77	0.61	0.72	24.96	7.26
Omaha	390,110	228,152	11.34	2.98	2.79	1.93	12.57	4.49
San Jose	838,148	659,429	4.54	2.62	24.69	15.19	9.00	5.58
Tampa	617,428	1,451,531	20.25	4.07	8.05	5.95	15.75	9.56

Source: 1990 Census data reported in Turner (1998).

Table A-2. Performance of Certificates Compared to Public and Assisted Housing

	Percent in High-Poverty Neighborhoods				Percent in Majority Black Neighborhoods				Percent in Majority Hispanic Neighborhoods			
	FMR	Certificates	Public	Assisted	FMR	Certificates	Public	Assisted	FMR	Certificates	Public	Assisted
Buffalo	32.9	27.9	63.3	36.5	19.7	23.5	32.8	16.7	2.1	0.6	16.9	7.9
Dallas	19.4	18.2	90.0	23.2	14.6	28.7	76.5	26.9	7.8	4.1	5.6	3.0
Dayton	27.0	27.3	59.9	30.8	17.8	36.8	46.1	26.4				
Omaha	20.8	30.0	59.3	17.8	10.8	30.3	44.7	13.1				
San Jose	3.8	2.4	0.0	3.1	0.0	0.0	0.0	0.0	12.7	20.4	0.0	16.6
Tampa	14.0	10.4	61.0	23.7	10.6	6.0	51.6	27.5	0.9	0.7	0.0	2.1

Source: Data from HUD's *A Picture of Subsidized Households—1997*, reported in Turner (1998).

## Author

Margery Austin Turner is director of Metropolitan Housing and Communities at The Urban Institute.

The author thanks Marty Abravanel, Sue Popkin, and an anonymous reviewer for their useful comments and suggestions. Views expressed in this article are those of the author and should not be attributed to The Urban Institute, its trustees, or its funders.

## References

- Briggs, Xavier de Souza. 1997. Moving Up versus Moving Out: Neighborhood Effects in Housing Mobility Programs. *Housing Policy Debate* 8(1):195–234.
- Davis, Mary. 1993. The Gautreaux Assisted Housing Program. In *Housing Markets and Residential Mobility*, eds. G. Thomas Kingsley and Margery Austin Turner, 243–54. Washington, DC: Urban Institute Press.
- Ellen, Ingrid Gould, and Margery Austin Turner. 1997. Does Neighborhood Matter? Assessing Recent Evidence. *Housing Policy Debate* 8(4):833–66.
- Feins, Judith D., W. Eugene Rizer, Paul Elwood, and Linda Noel. 1997. *State and Metropolitan Administration of Section 8: Current Models and Potential Resources*. Washington, DC: U.S. Department of Housing and Urban Development.
- Goering, John, Ali Kamely, and Todd Richardson. 1994. *The Location and Racial Composition of Public Housing in the United States*. Washington, DC: U.S. Department of Housing and Urban Development.
- Goering, John, Ali Kamely, and Todd Richardson. 1995. *Promoting Housing Choice in HUD's Rental Assistance Programs*. Washington, DC: U.S. Department of Housing and Urban Development.
- Jargowsky, Paul A. 1996. *Poverty and Place: Ghettos, Barrios, and the American City*. New York: Russell Sage Foundation.
- Mac Donald, Heather. 1997. Comment. *Housing Policy Debate* 8(4):755–62.
- Massey, Douglas S., and Nancy A. Denton. 1993. *American Apartheid: Segregation and the Making of the Underclass*. Cambridge, MA: Harvard University Press.
- Newman, Sandra J., and Ann B. Schnare. 1997. “. . . And a Suitable Living Environment”: The Failure of Housing Programs to Deliver on Neighborhood Quality. *Housing Policy Debate* 8(4):703–42.
- Quercia, Roberto G., and George C. Galster. 1997. Threshold Effects and the Expected Benefits of Attracting Middle-Income Households to the Central City. *Housing Policy Debate* 8(2):409–35.
- Rosenbaum, James E. 1991. Black Pioneers—Do Their Moves to the Suburbs Increase Economic Opportunity for Mothers and Children? *Housing Policy Debate* 2(4):1179–1213.

Rosenbaum, James E. 1995. Changing the Geography of Opportunity by Expanding Residential Choice: Lessons from the Gautreaux Program. *Housing Policy Debate* 6(1):231–69.

Schill, Michael H., and Susan Wachter. 1994. The Spatial Bias of Federal Housing Programs. Research Impact Paper No. 3. Wharton Real Estate Center.

Tegeler, Philip D., Michael L. Hanley, and Judith Liben. 1995. Transforming Section 8 into a Regional Housing Mobility Program. In *Housing Mobility: Promise or Illusion?* ed. Alexander Polikoff, 103–34. Washington, DC: Urban Institute.

Turner, Margery Austin. 1998. *Affirmatively Furthering Fair Housing: Neighborhood Outcomes for Tenant-Based Assistance in Six Metropolitan Areas*. Washington, DC: Urban Institute.

Turner, Margery Austin, and Chris Hayes. 1997. *Poor People and Poor Neighborhoods in the Washington Metropolitan Area*. Washington, DC: Urban Institute.

Turner, Margery Austin, and Kale Williams. 1998. *Assisted Housing Mobility: Realizing the Promise*, Washington, DC: Urban Institute.

U.S. Department of Housing and Urban Development. 1995. *Empowerment: A New Covenant with America's Communities—President Clinton's National Urban Policy Report*. Washington, DC.

U.S. Department of Housing and Urban Development. 1996. *Expanding Housing Choices for HUD-Assisted Families: First Biennial Report to Congress*. Washington, DC.