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Comment on James E. Rosenbaum, Linda K. Stroh, and Cathy A. Flynn's "Lake Parc Place: A Study of Mixed-Income Housing"

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Abstract

It is not clear how much of the success of the Lake Parc Place experiment is due to income mixing and how much simply to the fact that it was turned into a well-managed development with a carefully screened group of tenants. The Rosenbaum, Stroh, and Flynn study provides little empirical evidence to support the added value of income mixing, because nearly half of the low-income households of Lake Parc Place were employed. Instead, the Lake Parc Place story suggests that income mixing is politically and financially appealing but socially unnecessary, at least in cases where housing authorities and their partners are able to revitalize developments in ways that can attract working families with very low incomes.

Keywords: Low-income housing; Development/revitalization; Policy

Introduction: Which success?

Given the dismal state of most large public housing developments in the United States, it is always a pleasure to read about success. When the subject is Chicago's much-touted Lake Parc Place, however, it is not clear which success policy makers ought to be celebrating. Is Lake Parc Place really a vindication of income-mixing policies? Or is it an argument for one or more of the other significant changes that happened there at the same time? The Lake Parc Place turnaround entailed not only income mixing but also a shift to private management; a lavish renovation of apartments, buildings, and grounds; an introduction of a high-security gated community; and a careful screening process for all tenants. Without a much more qualitative exploration of the social dynamics at Lake Parc Place than the Rosenbaum, Stroh, and Flynn study provides, it is impossible to sort out how these various factors contribute to success. If all one cared about was resident satisfaction, it might well be that the changes in management, amenity, security, and tenancy would—in themselves—have yielded equally high indications of success, even without income mixing.

The celebrated turnaround of Boston's Commonwealth Development, for example, suggests that it is possible to transform a

socially and physically devastated public housing project into an attractive, secure, and highly sought-after living environment while still reserving all of its occupancy for public housing residents with the usual low incomes (National Commission on Severely Distressed Public Housing 1992; Vale 1996, 1997a, 1997b). This revitalization, accomplished during the 1980s while the Boston Housing Authority was in receivership, demonstrated that such an environment could be created entirely by sound design, private management, sustained tenant initiative, and enhanced service efforts. In its redeveloped form, Commonwealth could easily attract tenants with far shallower subsidies or even market-rate rents, yet it remains a resource for those of lesser means. Still, Commonwealth is an exception. It would cost over $100,000 per unit to replicate its redevelopment today. Not surprisingly, given such costs, subsequent similar ventures, through the HOPE VI program, have usually been structured to attract higher percentages of residents who can afford higher rents. From the perspective of Commonwealth's current low-income occupants, income mixing seems unnecessary; most public housing residents seem very aware of how many others also need quality low-rent housing. The extremely low crime rate and the extraordinarily high levels of resident satisfaction at Commonwealth make it clear that this is a place where security initiatives, tenant organization, and private management have succeeded.

From a public policy standpoint, however, Commonwealth raises serious concerns. Its sustained successes demonstrate that poverty in public housing can be *managed*, but have not yet shown that it can be substantially *reduced*. A large majority of its adult residents are still jobless, with far too few opportunities for education and training, despite the presence of an active and effective tenants' association. Would bringing in more higher-income neighbors improve the situation? Perhaps, though the barriers to jobs are manifold. Role models who have jobs and know how to get them are not necessarily also teachers, counselors, carpool drivers, and child-care providers. The Commonwealth model of redevelopment accepts the extremely high cost of developing high-quality environments for low-income people, yet skeptics continue to question whether such lavish investment is "too good for poor people."

Whether or not they care to phrase the issue in such terms, most contemporary policy makers want public housing to pay more of its own way and to be more consistent with traditional American beliefs in self-sufficiency and upward mobility. As the current push for various types of mixed-income housing suggests, Congress and the public no longer wish to judge the success of public housing redevelopment chiefly on the basis of improved satisfaction for very low income households. Instead, a key measure is whether those that Rosenbaum, Stroh, and Flynn call the "nonproject people" will be

satisfied enough to want to enter, and remain in, public housing. The challenge is not just to return distressed housing to full occupancy but to do so in ways that make public housing appealing to a broader market.

Mixing in employment without "income mixing"

At a time when only 8.5 percent of households living in Chicago public housing reported incomes from employment,[1] Lake Parc Place has been praised for introducing "working residents" to public housing. Yet, to the extent that Rosenbaum, Stroh, and Flynn's sample accurately reflects the Lake Parc Place population, it must be observed that much of this economic mix occurred even without factoring in the higher-income tenants, because fully 46 percent of the low-income group of "project" residents also reported employment during the year they gained a Lake Parc Place apartment. In other words, the initial Lake Parc Place cohort was assembled through a double creaming process, affecting both income groups. The Chicago Housing Authority (CHA) sought to prove that public housing could work by choosing to house a different sort of resident than the ones that dominate its waiting list. To ensure a wider market for Lake Parc Place, the CHA paradoxically chose to work with a much narrower subsection of its own low-income tenants.

Supporters of income mixing in public housing invariably tout the benefits presumed to occur when the very low income unemployed get to know and observe the lifestyles and behaviors of the more upwardly mobile. Unfortunately, the Rosenbaum, Stroh, and Flynn study is not structured to provide empirical documentation for such claims, and the authors make the common assumption that the presence of the nonproject residents is necessary to stabilize the behavior of those whose previous behavioral reference point is public housing.

This assumption has several problems and consequences. First, it implies that destructive behavior in public housing is largely the result of misbehavior by residents, rather than the result of unchecked depredation by outsiders. Second, it suggests that the CHA—even when it requires potential residents to undergo far more financial and behavioral scrutiny than would be required for admission to any other development in the city—is incapable of adequate screening when it comes to its "project" applicants, but that it can more confidently discount the potential for future misbehavior among its "nonproject" applicants simply because they have somewhat higher incomes. As the authors argue, "A person consid-

[1] CHA employment figures for 1991 to 1992 are cited in Schill (1997, table 6.1).

ering violating a rule knows that there is a 30 percent chance that a project observer will not care, but a 95 percent chance that a non-project observer will care." And, because these higher-standard middle-income observers are "scattered all over Lake Parc Place, one can be almost certain that violations will be reported." Rosenbaum, Stroh, and Flynn view mixed-income housing as a necessary tool for moral surveillance. Despite the fact that former project residents had passed through an arduous screening process intended to ensure that they were worthy of the new apartments, the authors (and, presumably, the designers of the Lake Parc Place experiment) assume that they needed middle-income role models to "help low-income residents see that rules are customary, usual, and needed."

What does this assumption really mean? Rosenbaum, Stroh, and Flynn's survey found that low-income residents were somewhat less likely to support management's "rules" than were the imported moderate-income standard-bearers, and the article attempts to generate a great deal of social significance from this discrepancy. Yet the fact remains that *both* groups overwhelmingly endorsed the rules and the management practices necessary to enforce them; if there is major dissent over rules, it would not seem to be found among the adult women who answered the survey. Moreover, the study provides little indication of what kind of rules we are talking about. By implication, Rosenbaum, Stroh, and Flynn suggest that they are "rules against littering, yelling out windows, [and] noise in the hallways." Do the authors really mean to suggest that nearly a third of the low-income women who responded to their survey would not care if fellow residents threw their trash in the hallway or out the window? These are women who fought hard to gain access to the new Lake Parc Place community; in the absence of more direct evidence, this seems an unfair charge. I suggest that any attempt to take full measure of comparative rule-breaking attitudes between low- and very low income tenant cohorts should not rely solely on interviews with adult women; far more investigation of the attitudes and actions of children and teens would seem necessary.

The moralism of subsidized housing

The persistent need to see mixed-income housing in didactic terms reveals a fundamental tension long present in American housing policy. Historically, government support for low-income housing has been used both as a reward and as a coping mechanism. When most of the large public housing projects were built, from the mid-1930s to the mid-1950s, they were intended as rewards for working families whose economic advancement had been temporarily delayed by the Great Depression or by service to the country during wartime.

These places were heirs to much older traditions of public land bounties for 19th-century veterans and homestead opportunities for thrifty pioneers. By the late 1950s, however, public housing projects were becoming something quite different—a means for coping with the urban poor who were ill-served by private markets or displaced by public action. Prodded by civil rights pressures to admit families regardless of race or employment status and constrained by the declining incomes of those who put themselves on the waiting lists, public housing authorities became heirs to another long tradition of housing subsidy—provision of last-resort containment—a practice dating back to the almshouses of the 17th century.[2] Now seen as a coping mechanism rather than a reward system, public housing and its tenants began to be treated with increasing hostility. Federal efforts to target the limited public housing supply to the least advantaged, especially during the 1980s, further exacerbated the concentration of poverty in public housing.

Since the early 1990s, policy makers have sought to extricate the government from the social and economic costs of current public housing occupancy patterns by introducing new programs and policies intended to return public housing to its earlier mode of reward for the temporarily downtrodden working poor. Coupled with welfare reform intended to force the able-bodied poor into employment, the message behind the multifaceted move toward mixing incomes in public housing is clear: The polity no longer wishes to accept an obligation to house very many of the long-term unemployed. Moreover, those carefully selected very low income public housing households who are welcomed into the mixed-income experiments are told that the importation of higher-income “role models” is for their own good.

To answer whether Lake Parc Place represents a sound direction for U.S. housing policy—one that ought to be replicated—requires renewed engagement with the perennial larger question of whom public housing should serve, now tempered by pragmatic acknowledgment that public housing projects and their tenants remain so stigmatized that sustained public subsidy requires cultivation of a broader political constituency.

Income mixing: A political necessity?

In the 1990s, income-mixing initiatives have included imposition of ceiling rents to retain higher-income tenants, shifts in public hous-

[2] A book-length treatment of this long history of rewards and coping mechanisms is in press: Lawrence J. Vale, *From the Puritans to the Projects: Public Housing and Public Neighbors*. Cambridge, MA: Harvard University Press, forthcoming.

ing admissions preferences to permit a greater range of incomes, and efforts to structure development proposals to incorporate such a mix. The main argument is that, without an influx of substantial numbers of employed households, communities composed wholly of the sorts of families who currently reside in public housing and who dominate its waiting lists will not be socially viable places to live. There is also a second argument in favor of income mixing: Only by being reconceptualized as a seamlessly integrated part of more economically diverse communities will public housing be able to attract further and broader funding. Income mixing, in short, may be lauded for introducing role models, but it is also favored for introducing a variety of new development models aimed at bringing in greater participation by private entities. Chicago's Mixed-Income New Communities Strategy embraced both goals, but so far there is little evidence to show that the role model dynamic is operational[3] and even less progress on the broader plan for reinvestment in Lake Parc Place's wider neighborhood. Lake Parc Place fronts neither lake nor park; it is squeezed between a set of railroad tracks and a devastated landscape of disinvestment. As the authors acknowledge, it is an "island." Its promoters rescued a piece of the public housing stock, but at great cost.

Much of this money seems to have been well spent on creating an enclave of superior amenity, security, and management. As a symbol of public housing recovery, it sends several strong messages. Which of these messages will policy makers choose to receive? Harry Spence, who led the Boston Housing Authority out of receivership during the 1980s, once commented that mixed-income strategies are not "a *solution* to the problem of public housing" but, more accurately, "an *elimination* of the problem of public housing" (Spence 1980). In other words, to the extent that such strategies fill projects with people who would otherwise be able to find alternative affordable housing, they represent a withdrawal from the central challenge of public housing: finding a way to assist the least-advantaged renters.

The central message of Lake Parc Place is that the best way to assist least-advantaged renters is to put very few of them in any one place. This is also the spirit behind efforts to disperse the poor through the use of housing vouchers and other tenant-based subsi-

[3] The authors found that fully half of the nonproject group reported no friends at the development. Moreover, for those who did note friendships, the methodology did not allow the authors to investigate whether these friendships cut across economic class (or whether, in fact, groups of friends might have moved to Lake Parc Place together). Without further ethnographic investigation of the role-model hypothesis, it is not even clear whether such friendships would be a necessary precursor to behavior modeling.

dies. If one accepts the premise that the hyperconcentration of poverty commonly found in public housing must be reversed, several policy questions still remain. How much income mixing is necessary to create viable communities? Should judgments be based on sociological evidence of what constitutes a "viable community" or on financial evidence of what constitutes a viable redevelopment proposition? What happens when the economics of development finance suggests the need for larger numbers of higher-income households than are socially necessary to sustain the community? Put more bluntly, if nearly half of the project households creamed for admission to Lake Parc Place were already employed, was there really a *social* need for any further economic mix? The role models were presumably already present within the project cohort itself, even though their incomes fell below the magic cut-off point of 50 percent of area median.

If the real social imperative is to introduce more households with jobs into public housing communities, why not take a cue from the CHA's own successful recruitment efforts among project residents? The Lake Parc Place experience suggests that if a public housing development is sensitively designed, well managed, and reasonably secure, it can attract a sizable cohort of employed residents, even without a deliberate mixed-income strategy. Given that the new low-income apartments intended to be built in the neighborhood as compensation for those "lost" to mixed-income occupancy have never been built, there is an even greater argument to use more of Lake Parc Place for low-income occupancy.

Although Rosenbaum, Stroh, and Flynn conclude that Lake Parc was "successful at getting nonproject people to move into public housing in a high-poverty neighborhood," the CHA subsequently failed to keep half of the development occupied by nonproject families; by 1994, the low-income portion of Lake Parc Place had crept up to 56 percent, and by 1996, to 67 percent, thereby casting doubt on a central assumption of this study (Schill 1997; Wangensteen 1996). By choosing to let some of Lake Parc Place's higher-income tier slip away during the mid-1990s, the CHA recognized its obligation to serve more of those on its waiting list, even if it meant compromising Vincent Lane's mixed-income model. If Lake Parc Place was able to retain a 46 percent employment rate even without resorting to the higher-income cohort—and if this lower-income group was able to continue to live in a safe and well-run environment—wouldn't that constitute an even greater achievement than the original mixed-income goal? Achieving an economic mix in public housing through enhanced efforts to attract more of the working poor need not mean abandoning a commitment to serve the least advantaged.

No form of income mixing, in itself, will magically transform the lives of the least advantaged in the absence of other mutually supportive interventions in the realms of design, management, and service provision. More to the point, perhaps, the current fascination with income mixing is an admission that these supportive interventions simply may not be funded unless they can be targeted to a broader and more politically appealing constituency. In the end, income mixing may be a political necessity to save public housing, even if it is not always needed to improve every public housing development.

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