

Comment on Victoria Basolo and Mai Thi Nguyen’s “Does Mobility Matter? The Neighborhood Conditions of Housing Voucher Holders by Race and Ethnicity”

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Abstract

Basolo and Nguyen discuss the role that housing vouchers play in enabling low-income households to pay affordable prices for housing and raise questions about the extent to which vouchers promote opportunities for recipients to improve their neighborhoods. This comment suggests that researchers explore the broader implications of the study.

Specifically, I discuss the use of language in naming public policies, the importance of providing counseling assistance to voucher holders, the necessity of a robust stock of housing, and the extent to which vouchers may be undermining the revitalization of low-income neighborhoods for long-time residents. I conclude by arguing that it is time to stop viewing housing policies as oriented to either “people” or “place.”

Keywords: Housing assistance programs; Mobility; Neighborhood

Introduction

Ever since the massive Housing Allowance Experiments of the 1970s, questions have been raised about how recipients of housing vouchers would use their subsidies to improve their housing and neighborhoods. One of the early concerns policy makers had was that households would simply use their housing allowances as an income transfer and continue living in their current unit, albeit at a reduced cost. Thus, even in the earliest stages of the emerging debate on vouchers, there was tension about whether the subsidy was intended to make housing more affordable or to enable households to improve the quality of their housing and upgrade their neighborhoods. And three decades ago, there was also considerable concern about whether housing allowances would contribute to deconcentrating poverty.

Many of the findings from the Housing Allowance Experiments seem relevant today. After noting that the data were riddled with design and measurement defects, Peter Rossi concluded:

Certainly the redistribution effects, if any, are likely to be slight. Hence, as an instrument of social policy promoting economic and racial-ethnic integration, the housing allowance program appears to be weak. In short, if housing allowances are to succeed in getting the poor out of inadequate housing and ghettos, the proper method is not to induce large amounts of additional residential mobility. (1981, 172)

The various questions that were first posed about the efficacy of housing allowances continued to be addressed in studies of the Gautreaux households as well as in evaluations of the Moving to Opportunity (MTO) program. In Basolo and Nguyen's fine article exploring the use of housing vouchers within the jurisdiction of the Santa Ana (CA) Housing Authority, this set of questions is raised again, with a compelling clarity and with important findings. Among them:

1. Many of the voucher holders anticipated difficulty in changing their residential location, and as a result, many of them may have been discouraged from seeking housing in better neighborhoods.
2. This perception appears justified: Market realities indicate that opportunities for mobility to better neighborhoods in the area are limited.
3. Only a little more than a third of the voucher holders had moved within the previous three years.
4. A disproportionate number of minority voucher holders were living in worse neighborhoods than their nonminority counterparts.
5. Rent paid for housing, as well as other factors, rather than the mobility of the household, explains neighborhood quality; higher rents generally came with better neighborhoods.
6. The assumption that choice will result in the deconcentration of poverty and minorities is not strongly supported by the data. Voucher holders faced significant budget constraints, supply constraints, and most likely discrimination.
7. In markets such as Santa Ana, voucher holders will gravitate toward units with relatively lower rents that tend to be in less desirable neighborhoods; the population of these neighborhoods also tends to include more minorities.

8. Deconcentration of poverty may be best served by policies aimed at moving people out of poverty.

Thus, with Basolo and Nguyen providing a provocative set of answers to some of the most enduring questions about housing vouchers, researchers have several options for continuing to explore these issues. First, as Basolo and Nguyen point out, they looked at a particular type of locale—a western region with a tight housing market that may or may not be comparable to other such areas or indeed to other parts of the country. So there is a need for more such studies both in similar and different market areas to determine whether these findings prevail there. Second, in this comment, I suggest that researchers explore further the broader implications of this study.

While the following presents some criticism of housing vouchers, I want to emphasize that I strongly support the overall approach. As a member of a group of housing policy analysts and advocates who may be criticized for “never having met a housing subsidy they do not like,” I recognize the need for a multifaceted housing policy—one that includes a robust supply-side program and intensive preservation efforts, as well as a well-funded demand-side program.¹

Beyond housing vouchers—the implications

Beware of the language: the changing semantics of public policy—positive titles, negative outcomes

Basolo and Nguyen observe that there is reason to be wary about how language is being used in relation to housing vouchers. They note that the term “Housing Choice” may actually be camouflaging a serious lack of choice and that the seemingly positive program title “may be... masking negative consequences for low-income households in need of voucher assistance” (33).

We have known for a long time that even when an identical phenomenon is being discussed, widely disparate impressions can be communicated depending on the words that are used. The familiar question, “Is the cup half-empty

¹ There appears to be a relatively recent consensus that a renewed commitment to supply-side programs is required. The debate about vouchers versus production subsidies was summarized by Weicher (1990), but for the most part, the question has been put to rest. Although housing vouchers are widely viewed as a good policy response under some market conditions, they cannot meet the needs of all households under all market conditions. “Production subsidies are *relatively* better used in some circumstances than in others” (Khadduri, Burnett, and Rodda 2003, 1), such as “for households with five or more people; for single, non-elderly, non-disabled households; in tight housing markets; and in jurisdictions that do not have laws barring discrimination on the basis of source of income” (Khadduri, Burnett, and Rodda 2003, 29).

or half-full?” underscores the importance of language. Policy analyst Deborah Stone (1997), for example, has provided compelling insights into the ways in which language frames policy debates.

It is interesting to note that several pieces of legislation outside the housing realm contain language that is as optimistic-sounding as “Housing Choice.” For example, consider the “Clear Skies” initiative, the “Healthy Forests” initiative, and the “No Child Left Behind” Act. Do these titles accurately reflect the intent and implementation of these public policies? While giving rosy names to legislation may be, in part, a marketing strategy common to policy makers irrespective of political party, we as analysts and observers need to look beyond the titles to better understand the underlying public policies.

Social policy on the cheap—without support services, vouchers are likely to provide only limited benefits

As Basolo and Nguyen point out, the Housing Choice Voucher Program (HCVP) does not include services to help households search for new units. By contrast, both the Gautreaux and MTO programs provided significant support, such as housing counseling, to households wishing to move. Such assistance was viewed as essential to enabling low-income people to navigate new locales.

Marr (2005) notes that there is a significant body of research on the importance of housing placement services in connection with mobility programs, particularly in tight urban rental markets. Moreover, he adds that housing placement specialists need to be skilled in working with both landlords and voucher recipients. In particular, since recipients may be “facing an unfriendly rental market [they] must be coached, helped through extra effort and advocacy, and provided with caring services to ensure that they remain diligent in searching for units and filing the necessary paperwork” (2005, 109).

Beyond the research on housing placement services directly connected to mobility programs, there have been a number of studies in recent years examining the efficacy of homeownership counseling. Virtually all of the programs promoted by national nonprofit intermediaries and the innovative programs created by local nonprofit homeownership entities view counseling as an important part of successful low-income homeownership initiatives.²

²Policy makers first acknowledged the importance of counseling in the era of the Section 235 low-income homeownership program enacted in 1968, but a lack of funding and commitment to these services meant that counseling was generally not provided. The low-income homeownership programs supported by NeighborWorks America (formerly the Neighborhood Reinvestment Corporation) and Enterprise Community Partners (formerly the Enterprise Foundation), as well as the Habitat for Humanity and Nehemiah programs, all stress the impor-

The bottom line is that public policies aimed at promoting choice for a low-income, often nonwhite population need to be far more consumer friendly and supportive.

How can there be real choice without an available rental stock from which residents can choose?

Even if voucher holders are provided with better support that helps them make more meaningful choices, there is typically an inadequate stock of rental units in nonpoverty areas. Basolo and Nguyen found that the number of available units was the most frequently cited obstacle to mobility. Moreover, this obstacle was statistically significant for race/ethnicity.

One of the impediments to producing more housing in nonpoverty areas is the high cost of land. But even when land costs can be kept down by donations of town-owned land, for example, the NIMBY (“not in my backyard”) point of view is alive and well. Negative attitudes about multifamily housing, whether subsidized or not, are often reflected in towns having no zoning whatsoever for multifamily housing development. One of the key rationales that suburban residents use to oppose such zoning—and indeed to oppose multifamily development in general—is that such housing will have an adverse effect on property values.

A number of studies have explored this issue, and the overall finding is that multifamily housing does not decrease property values. For example, researchers at the Massachusetts Institute of Technology’s Center for Real Estate in a recent report examining this question note:

To answer the question, “Do large-scale, high-density mixed-income rental developments negatively impact nearby single-family property values in suburban Boston?”, we studied the relationship over time, within 8 separate communities, between single-family house prices directly impacted by such developments and those that were not.... The empirical analysis... indicated that the sales price indexes for the impact areas move essentially identically with the price indexes of the

tance of counseling. A recent report notes that “buyers who understand the homebuying process and who are financially ready to assume home-ownership responsibilities are critical to successful outcomes” (DiPetta et al. 2001, 2–2; see also Rohe, Quercia, and Van Zandt 2002). Similar observations were made about the positive impact of postpurchase counseling and the need for home buyers to be helped to understand their home’s maintenance needs, the effects of market changes, and opportunities to avoid foreclosure (DiPetta et al. 2001; Werwath 1997). Finally, the Millennial Housing Commission (2002) has recommended an expansion of housing counseling based in part on recent research by Freddie Mac showing that prepurchase counseling and education had a positive impact on loan performance (Hirad and Zorn 2001).

control areas before, during, and after the introduction of a 40B development.³ We find that large, dense, multi-family rental developments made possible by chapter 40B do not negatively impact the sales price of nearby single-family homes. (Pollakowski, Ritchay, and Weinrobe 2005, xii–xiii)

Looking more specifically at the literature on the impact of subsidized housing, Nguyen (2005) concludes that there are still many unanswered questions about this issue and points out that any effects that have been found are small and less harmful to property values than other key factors pertaining to neighborhood and housing characteristics. Further:

The likelihood that property values will decline as a result of proximity to affordable housing increases when (1) the quality, design, and management of the affordable housing . . . [are] poor; (2) affordable housing is located in dilapidated neighborhoods that contain disadvantaged populations (i.e., usually low-income and predominantly minority); and (3) when affordable housing residents are clustered. In contrast, instances in which affordable housing appears to have no effect occur when (1) affordable housing is sited in healthy and vibrant neighborhoods, (2) the structure of the affordable housing does not change the quality or character of the neighborhood, (3) the management of affordable housing is responsive to problems and concerns, and (4) affordable housing is dispersed. Furthermore, the evidence reveals that rehabilitated housing always has beneficial outcomes for neighboring property values. (Nguyen 2005, 23–24)

Another typical concern is that multifamily housing increases school costs. This, too, has been the subject of recent study. One report, based on U.S. Bureau of the Census data, revealed that “multifamily housing has fewer children than other types of housing structures, and the number of school-age children is particularly low in very large multifamily structures, in multifamily condos, and in new multifamily developments” (Emrath 2004, 1). Another report, based on Massachusetts, concludes:

³ Massachusetts’ chapter 40B, also known as the anti-snob zoning, anti-exclusionary zoning, or comprehensive permit law, has been in existence since 1969 and has been credited with creating approximately 43,000 units. More than one-half of them are affordable to households earning no more than 80 percent of area median income. In brief, 40B enables developers whose projects include at least 20 to 25 percent affordable housing units to petition the state Housing Appeals Committee after a previous request to build has been turned down by the local zoning board. The committee can override local zoning ordinances and allow the development to proceed in those localities where at least 10 percent of the existing housing stock is not designated as “affordable” (Citizens’ Housing and Planning Association 2006).

In most cases, multi-family developments built since 1990 have not contributed significantly to the rise in school enrollments that occurred in many communities across the state. New single-family homes and in some towns, a high rate of turnover in older single-family homes, generated a majority of the state's school enrollment growth. Older multi-family developments with apartments sized for family occupancy continue to house many children, in part because they offer one of the few choices available to lower-income families. (Sanborn et al. 2003, 2.1)

State governments can play a significant role in overcoming the obstacles to producing housing in low-poverty areas. Modeling additional programs around 40B is one approach, along with providing school subsidies to towns in the event that these costs rise.⁴ States can also mandate that communities zone for multifamily housing, so that this type of development can take place as a right.⁵ Finally, states can direct localities to adopt inclusionary zoning bylaws, whereby additional development would be required to include a certain number of units set aside for low-income residents.

As indicated in this brief discussion, the HCVP tries to deal with a problem whose roots go very deep—a problem that will not be solved by simply offering a voucher to a household. Availability of appropriate units is key to providing real choice, but the complexity of achieving this goal is substantial, and HCVP's potential in promoting racial and economic integration is severely limited.

Does the HCVP have a conspiratorial aspect?

Often, the high-poverty neighborhoods from which voucher recipients move are well situated, close to downtown or to other desirable locations. To the extent that households are leaving poorer neighborhoods and these neighborhoods are sought after, will emptying them out create better opportunities for developers to acquire the land and buildings cheaply?

⁴ One such approach is being pursued in Massachusetts. A new statute, chapter 40S, enacted in late 2005, creates an insurance program that is intended to hold communities harmless from any net school costs arising from housing production in new Smart Growth Zoning Districts. Assuming that “there will be some level of net school costs, the financial impact to the State is not substantial—and will take off the table the issue of school costs as a reason to oppose housing production” (Carman et al. 2005, 1).

⁵ A study by Glaeser et al. (2006) revealed that in more than two-thirds of the 187 cities and towns within 50 miles of Boston, at least 80 percent of the land is zoned only for single-family housing.

While the federally funded Urban Renewal program of the 1950s and 1960s was often a frontal assault on low-income neighborhoods, is the HCVP a more insidious attempt to transfer land to developers? Does this program encourage low-income residents to vacate their homes so that developers interested in redevelopment do not have to worry about relocating them? At the same time, as properties are vacated, do prices for land and buildings fall?

Without any evidence that this scenario is being played out, these questions are simply conjecture. But as is the case with the other issues discussed here, they would provide fertile ground for future research.

The HCVP takes poor neighborhoods as a given; public policy is not directed at improving them

While some neighborhoods where voucher recipients live may be targets for gentrification, many others are not. For these, other questions arise: Should public policy serve to empty out poor neighborhoods (even though that may not be the explicit goal), thereby leaving those who remain with all the problems of a deteriorating, high-poverty area? Given that the HCVP will not be able to meet the needs of all who may be eligible, both because subsidy appropriations are insufficient and because the supply of affordable housing in nonpoverty areas is inadequate, the program may be helpful to the lucky few. But what about the vast majority of households that remain in impoverished areas? To what extent should public policy instead make an explicit commitment to improving poor neighborhoods for the residents who live there?

Of course, it can be argued that public policies should focus on both strategies. And to some extent, this is what has been done. But much more energy and resources should be focused on initiatives aimed at developing poor areas for the people who live there. Some of the best strategies include public investment programs aimed at promoting economic opportunities, providing employment training, and improving the quality of schools, streets, transportation, and open space. In addition, developing more affordable housing and promoting economic development through nonprofit groups such as community development corporations (CDCs) is a highly desirable approach.⁶

CDCs and other nonprofits have proven to be effective housing developers as well as providers of services and economic development initiatives. However, funding for these organizations typically comes piecemeal, without public revenue sources dedicated to their activities. Substantial new resources earmarked for long-term affordable housing for extremely low income house-

⁶For an overview of the contributions of CDCs, see Bratt (2006).

holds are needed,⁷ and nonprofits would likely become prominent players in any such initiative.

Thus, while the HCVP may help a small number of households leave undesirable neighborhoods, it is a very partial solution to a much more complex set of issues and problems for poor households and neighborhoods.

The end of the people versus place debate

My final point is closely connected to the previous observation about whether housing allowance/voucher/mobility policies, on the one hand, or neighborhood improvement policies, on the other, is the correct approach. For decades, planners and students of urban problems have been debating the appropriateness of policies aimed at “people” or “place.” Typically, urban revitalization programs were considered place strategies because of their explicit focus on a geographic locale. Similarly, housing allowances were commonly thought of as people strategies because they provided direct support to households. Despite this quick and familiar reaction, it is fair to ask whether vouchers are a people strategy or a place strategy. And it is also reasonable to reassess which category neighborhood improvement programs fall into.

The answer is that both are both.

Housing allowances, in their current incarnation in the HCVP, are also attempting to change the place where people live and the accompanying “geography of opportunity.”⁸ At the same time, to the extent that neighborhoods needing improvement are populated by poor people, area-specific revitalization also means focusing on the residents who live there. Therefore, it is time to bury the old people/place dichotomy. In short, housing and community development policies should be aimed at “No Neighborhood Left Behind” and “No Household Left Behind”—and mean it.

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⁷ One such proposal would involve creating a dedicated revenue source for low-income housing through a new National Housing Trust Fund (National Housing Trust Fund Campaign 2005).

⁸ See *Housing Policy Debate* 1995, volume 6, issue 1, for a number of articles on this topic.

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