

Public Housing Transformation and the Hard-to-House

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Abstract

The transformation of public housing will necessarily have profound effects on the lives of thousands of very vulnerable families. For three decades, public housing served as the housing of last resort, with federal regulations increasingly favoring the neediest households. But this transformation has meant dramatic changes in federal policy for housing the poor by promoting mixed-income housing and the use of vouchers to prevent the concentration of troubled, low-income households. This transformation has largely failed to address the needs of the hard-to-house residents who have relied on public housing for stable, if less than ideal, housing.

We use data from two studies of developments targeted for HOPE VI (Housing Opportunities for People Everywhere) revitalization to estimate the size of the hard-to-house population. We conclude that public housing authorities will need to develop a range of alternative options to ensure that all residents obtain stable, secure housing.

Keywords: Federal government; Public housing; Urban policy

Introduction

The transformation of public housing will necessarily have profound effects on the lives of thousands of very vulnerable families. For three decades, public housing served as the housing of last resort, with federal regulations increasingly favoring serving the neediest households (Popkin et al. 2000). But during the 1990s, the federal government dramatically changed its policy for housing the poor. Under the new approach, which was largely driven by the \$5 billion HOPE VI (Housing Opportunities for People Everywhere) program begun in 1992, the U.S. Department of Housing and Urban Development

(HUD) began promoting mixed-income housing and the use of vouchers to prevent the concentration of troubled, low-income households. However, to counter the negative view of public housing—the image epitomized by the prison-like high-rises in Chicago—these new policies emphasized promoting residents’ self-sufficiency and access to opportunity. Evidence to date suggests that these new approaches have had positive benefits for some residents, enabling them to move to better housing in safer neighborhoods (Buron 2004; Comey 2004; Popkin et al. 2004).

However, despite these positive indications and the inclusion of a community supportive services component in the HOPE VI program, these policies have largely failed to address the more complex needs of the hard-to-house residents who have relied on public housing as a source of stable, if less than ideal, housing. This group of residents is diverse and includes grandparents caring for their grandchildren; families with members who have disabilities and require accessible units; very large households; and multiple-barrier families coping with an array of problems such as limited work histories, low levels of education, substance abuse, domestic violence, criminal records, mental and physical health problems, and little or no experience in the private market.

Four years ago, in an article titled “The Gautreaux Legacy: What Might Mixed-Income and Dispersal Strategies Mean for the Poorest Public Housing Tenants?” (Popkin et al. 2000), we raised serious questions about how the transformation of public housing would affect these vulnerable families. The theories underlying the new strategies assumed that tenants would benefit in various ways, from simply having better-managed and -maintained housing to gaining access to role models and new job networks that could help them move toward self-sufficiency. These assumptions might have been true for the many residents who were employed or employable, paid their bills, and were active, functioning members of their communities. However, for the most vulnerable families—those that have relied on public housing as a last resort—this transformation has the potential to be just one more blow, leaving them in their distressed communities and facing the specter of losing their assistance altogether. The fact that housing has continued to become increasingly unaffordable for low-income families means that they are left with few good alternatives outside of public housing. (See the National Low Income Housing Coalition 2003.) As we stated four years ago, “It would be a terrible irony if the ultimate legacy of Gautreaux were the reconcentration of very poor families in substandard housing” (Popkin et al. 2000, 937).

Our recent research on outcomes for families affected by HOPE VI revitalization has underscored these concerns, indicating that a substantial proportion of the residents still living in these developments will not fit easily into

existing relocation options, particularly traditional vouchers or new mixed-income communities with strict screening criteria (i.e., criminal background checks, drug tests, or work requirements). Many of the families awaiting relocation will need special assistance that goes beyond the typical package to help them move from their current units into safe and stable housing. For these families, housing stability may be a more realistic goal than self-sufficiency, at least for the short term.

Some argue that it is not the responsibility of the public housing program to address the complex needs of these troubled residents.¹ From this perspective, public and assisted housing are limited resources and should be targeted to families that will respect and adhere to basic rules and regulations (Popkin et al. 2004). Many of the tenants who fail to meet the new screening criteria were likely contributing to the crime, disorder, and distress in the original developments. Although under one-strike rules, families are supposed to be evicted or denied housing only when someone in the household has shown evidence of involvement in drug trafficking or criminal activity, many policy makers and practitioners argue that these families—or individuals—are not entitled to continued federal support.

However, we believe that there are equally strong arguments in favor of policies that aim to help *all* of the original residents make a successful transition and gain access to safe, decent, and stable housing. The majority of households in the distressed public housing targeted for transformation are families with children. New policies that exclude the most troubled families may place these children at risk. Further, given the role that federal policies and managerial neglect played in creating the distress in public housing, we believe that the federal government and local public housing agencies (PHAs) must accept at least some responsibility for trying to address residents' problems (Popkin et al. 2004). Simply put, developing effective strategies to serve the hard-to-house is imperative, especially if we seek to improve outcomes for the next generation.

The goals of the HOPE VI program include “improving the living environment for residents of severely distressed public housing” and “providing housing that will avoid or decrease the concentration of very low-income families” (Quality Housing and Work Responsibility Act of 1998 [QHWRA], §535). For hard-to-house residents living in distressed public housing, meeting these basic goals will be especially challenging and will require a comprehensive service approach that begins at the point of relocation. Since most residents will not return to the HOPE VI site, relocation is the major intervention

¹ For a discussion of these issues and the unresolved policy debates, see Popkin et al. 2004.

and the best opportunity to deliver services and ensure that hard-to-house residents are given the support they will need to make a successful transition.

Our most recent research has shown that the majority of HOPE VI relocatees have received vouchers, with most of the rest moving to other traditional public housing developments (Cunningham 2004). These findings raise additional concerns about the hard-to-house, who will likely not be well served by either option and who are unlikely to have the opportunity to move into the new mixed-income housing once it is complete. The voucher program was not designed to serve the neediest families and assumes that participants can negotiate the private market and understand complex program rules. But simply placing troubled families in a different traditional development has the potential to exacerbate their problems—for example, by exposing them to the risk of conflict with other tenants. Further, this strategy is in direct conflict with the goal of deconcentrating extremely poor households and is likely to create new and even more intense pockets of distress if large numbers of troubled families are relocated to a single site. We believe that truly addressing the needs of the hard-to-house will require a range of options, from specialized housing for grandfamilies (households consisting of an elderly adult who is the primary caregiver for one or more children) to supportive housing for multiple-barrier families.

In this article, we lay out a policy for effectively serving the hard-to-house residents who remain in distressed public housing or are experiencing difficulties as a result of HOPE VI-related relocation. Using evidence from our research on HOPE VI families, we identify the different types of needs that make it difficult for some residents to successfully transition to mixed-income or private market housing. Then, we use our definitions to provide estimates of the magnitude of the problem—the proportion of residents living in targeted developments and requiring more intensive assistance than current programs provide. Next, we talk about the changes in public housing policy and the reasons they largely fail to meet the needs of hard-to-house residents. We conclude with our recommendations for strategies that can meet the needs of these vulnerable families and help ensure better outcomes for *all* of the original residents.

Who are the “hard-to-house”?

Families that may need additional services or alternative housing models are often referred to as hard-to-house. It is not clear, however, what proportion of the residents of severely distressed public housing fit into this category, largely because there is no formal definition. Without an understanding of the

factors that make residents hard-to-house, policy makers and practitioners cannot develop strategies to address their needs. Likewise, without knowing the magnitude of the problem, PHAs and city agencies cannot effectively plan services for these residents.

The specific combination of characteristics that make residents hard-to-house is difficult to define, and placing specific groups of residents into that category runs the risk of being interpreted as a gross overgeneralization. Some may even find the label pejorative. Let us make clear that we are talking about only a *subset* of residents of distressed public housing and that, as stated earlier, there are many others who will need only support and some basic assistance to relocate successfully.

Most researchers or practitioners who use the term “hard-to-house” are referring to truly homeless families or individuals. However, we use it here to refer to families that have been relying on public housing as a last resort and are at risk of losing their unit because of the changes brought about by the transformation of public housing. For the purposes of this analysis, we define hard-to-house as *public housing residents who are at risk of losing their housing for reasons that go beyond affordability*. They are residents who have personal or family circumstances that make it difficult for them to fit into standard relocation options and who require or are best served by alternative housing models.

A number of characteristics may put residents at risk of losing their public housing as a result of relocation or make them better suited for alternative models rather than mixed-income or private market housing. In identifying these characteristics, we examined typical profiles of homeless families. These profiles show that chronically homeless families have substance abuse or mental and physical health problems, as well as poor education and work histories (Burt 1999). Substance abuse is common among homeless people and is often the primary reason for their loss of stable housing. Other common reasons for homelessness are problems with household members (divorce, domestic violence, not getting along), job loss, or release from jail or prison without housing placement (National Coalition for the Homeless 2002; Roman and Travis 2004).

Research on public housing residents in Chicago (Popkin and Cunningham 2002; Venkatesh 2002) has produced similar profiles of those who need alternatives to traditional relocation options, indicating that long-term tenants, large families, and those with poor rent payment histories, drug problems, domestic violence, and other evidence of instability have the most difficulty making the transition from public housing. Ex-offenders and their

families are particularly at risk due to the changes in public housing regulations. Left without options, most ex-offenders return to the communities they came from, which in many cases means public housing (La Vigne et al. 2003). However, federal laws now prohibit ex-offenders from qualifying for public housing, and many local PHAs have policies that forbid ex-offenders from being added to the lease as members of the household.

To understand how many residents could face special relocation challenges because of the transformation of public housing, we have identified different sets of characteristics that could place residents at risk. The following categories are neither mutually exclusive nor exhaustive, but provide a useful tool for assessing the magnitude of the problem facing policy makers and practitioners.

1. *Multiple-barrier households.* We define these households as long-term residents (more than 10 years in public housing) who are unemployed but of working age (less than 50 years old) and who do not have a high school diploma. They may also have a drug or alcohol problem, a mental health problem, or a criminal record. Multiple-barrier households may have trouble using a voucher to find a unit and will most likely not meet the screening criteria to return to a new mixed-income development.
2. *Households including members with disabilities.* We define these as households whose heads identify themselves or someone living in their household as having a disability or report receiving supplemental security income (SSI). Public housing residents who have mental or physical disabilities will require more intensive relocation services and may need accessible units that are hard to find in the private market and may not exist in new mixed-income developments. While individuals with disabilities may qualify for special housing, families are excluded from these developments and may well require accessible units with multiple bedrooms; these are extremely difficult to find. Residents moving temporarily or permanently with vouchers may need assistance in identifying new medical facilities or transportation to care.
3. *Elderly households.* We define these households as those whose members are 65 or older and are living without children. Many older residents living in public housing have aged in place and are living in family units. Given the poor health of many of those in distressed public housing (Harris and Kaye 2004; Popkin et al. 2002), these residents are likely to be frail and require supportive housing with on-site services. At many public housing developments, seniors have their own buildings (senior housing) or other

types of project-based assistance, but service-enriched housing, such as independent living with care and assisted living with services on site, is not as common.

4. *Grandfamilies*. These are households with a single elderly adult who is the primary caregiver for one or more children. A growing number of families living in public housing consist of nontraditional households such as custodial grandparents or persons caring for related foster children. Some children may even be caring for their aging grandparents. These households, particularly the custodial grandparents who are ready for senior housing, need more supportive environments than are available in traditional public housing or the private market. However, senior housing is likely to be inappropriate for those taking care of children; like families that include members with disabilities, these households may require accessible units with multiple bedrooms. They may also require supportive housing linked to other types of assistance.
5. *Large households*. These consist of households needing four or more bedrooms to meet HUD standards for adequate housing.² Large families often have difficulty using vouchers to find stable housing, particularly in tight rental markets. Public housing has long been one of the few reliable sources of large, affordable apartments.
6. *Households with one-strike problems*. These have a family member with an arrest record or other drug-related criminal history that could place them at risk of eviction. Strict enforcement of the one-strike rule may exclude these families from even traditional public housing (Popkin et al. 2000).

Estimating the size of the hard-to-house population in distressed public housing

To develop an estimate of the proportion of residents living in distressed public housing and meeting our definition of hard-to-house, we used data from two large-scale Urban Institute studies of HOPE VI residents awaiting relocation: the *HOPE VI Panel Study*, which includes five different public

² HUD standards are as follows: A one-bedroom unit must have a minimum of 1 occupant and a maximum of 2, a two-bedroom unit must have a minimum of 2 occupants and a maximum of 4, a three-bedroom unit must have a minimum of 3 occupants and a maximum of 6, a four-bedroom unit must have a minimum of 4 occupants and a maximum of 8, and a five-bedroom unit must have a minimum of 5 occupants and a maximum of 10 (HUD 2004).

housing sites (Popkin et al. 2002), and the *Residents at Risk* study, which focuses on Chicago (Popkin, Cunningham, and Woodley 2003). Although each survey used slightly different measures, we can identify residents who fall into our categories and will likely require either additional relocation assistance or alternative housing options.

Hard-to-house residents in the HOPE VI Panel Study

The longitudinal *HOPE VI Panel Study* (Popkin et al. 2002) tracks outcomes for the original residents of distressed developments targeted for revitalization under the HOPE VI program. Begun in 2001, the study examines five sites: Shore Park/Shore Terrace (Atlantic City, NJ); Ida B. Wells Homes/Wells Extension/Madden Park Homes (Chicago)³; Few Gardens (Durham, NC); Easter Hill (Richmond, CA); and East Capitol Dwellings (Washington, DC).⁴ A baseline survey was administered to a sample of 887 heads of household across the five sites during the summer of 2001, with an overall response rate of 86 percent.⁵ The survey was administered in person and covered basic demographics, housing and neighborhood conditions, health, receipt of employment and public assistance, financial stability, material hardship, children's schooling and behavior, access to social and community services, and outlook for relocation.⁶

Because the *HOPE VI Panel Study: Baseline Report* (Popkin et al. 2002) surveyed residents before relocation, it is an ideal source for estimating the size of the population that fell into one or more hard-to-house categories. Further, having five diverse sites allows us to assess the extent to which this problem affects a range of cities and developments. On the basis of the definitions identified earlier, we used baseline data to identify residents who have one or more risk factors for special relocation challenges.⁷

³ This site also includes the former Darrow Homes, three of which were demolished in 2000. Only residents who lived in the development in the spring of 2001 were included in the survey sample.

⁴ See Popkin et al. 2002 for a complete discussion of the survey and study methods.

⁵ Response rates for the individual sites ranged between 84 percent and 90 percent. At all sites the response rate was higher than our original goal of 80 percent. Between 139 and 198 residents from each site completed the survey. The first follow-up survey was administered in spring 2003, with an overall response rate of 85 percent. A second follow-up survey is planned for spring 2005.

⁶ The survey also asked specific questions about up to two randomly selected focal children per household, one under age 6 and one between the ages of 6 and 14. The questions about children concerned their health and well-being, schooling, special education, and behavior. See Popkin et al. 2002 for a discussion of these results.

⁷ These categories are not mutually exclusive, so a respondent may fall into more than one.

Table 1. Hard-to-House Residents in the *HOPE VI Panel Study* (Percent)

Category	Shore Park N = 139	Wells N = 198	Few Gardens N = 182	Easter Hill N = 170	East Capitol N = 198
Total hard-to-house households on site ^a	37	62	42	39	62
Multiple-barrier households ^b	17	16	10	10	5
Grandfamilies ^c	2	2	0	0	1
Households including a member with a disability ^d	20	35	24	24	42
Elderly households ^e	2	10	9	4	16
Large households ^f	4	7	1	2	9

^a Percentage of households that fall into at least one of the alternative housing models.

^b Percentage of households whose residents have been living in public housing for more than 10 years, do not have a high school diploma, are not employed, are less than 50 years old, and who may have a substance-abuse or one-strike problem.

^c Percentage of households with a single elderly adult who is the primary caregiver for one or more children.

^d Percentage of households that identify a member of the household as being disabled or report that the household is receiving SSL.

^e Percentage of households headed by someone 65 or older, no children present.

^f Percentage of households requiring four or more bedrooms to meet HUD standards for adequate housing. These households have a minimum of four occupants and a maximum of two occupants per bedroom (see footnote 2 for further details).

Table 1 shows that the proportion of residents who face special challenges varies considerably across the five sites, from nearly two-thirds at Wells and East Capitol, to just over a third at the three smaller sites (Shore Park, Few Gardens, and Easter Hill). This finding suggests that the problem of hard-to-house residents is not unique to Chicago, but is common to larger, central cities with a history of troubled public housing and multiple distressed properties. Further, the fact that even at the three smaller sites—one of them on the West Coast—between 37 and 42 percent of the residents fall into these categories implies that there is a significant need for alternative relocation options across all HOPE VI sites.

Table 1 also shows that a single alternative will not be sufficient and that a range of options will clearly be required to serve families with different types of needs. Across the sites, the largest group of residents in need of special assistance with relocation consists of households including a member with a disability—in Wells and East Capitol, these households make up more than a third of the sample. Annie’s story, found in the appendix, illustrates the complex challenges that make it difficult for these families to find suitable—and affordable—housing.

Multiple-barrier households needing some sort of service-enriched housing make up the next largest group, ranging from about 16 percent of the

sample in Shore Park and Wells, to just 5 percent in East Capitol, perhaps because of its large proportion of older residents. Similarly, the proportion of elderly households varies across the sites, from 16 percent in East Capitol to just 2 percent in Shore Park. Finally, the proportion of large families ranges from a high of 9 percent in East Capitol to just 1 percent in Few Gardens.

The hard-to-house population in the Residents at Risk study

The *Residents at Risk* study (Popkin, Cunningham, and Woodley 2003) is a subcomponent of the *HOPE VI Panel Study* (Popkin et al. 2002). Because of the size and scope of the transformation of public housing in Chicago, we received special funding to conduct a census of Ida B. Wells and Madden Park to identify how many residents were at risk for falling out of the relocation process and losing their housing assistance.⁸

The plans for Ida B. Wells and Madden Park called for replacing the original development of 3,200 public housing units with a 3,000-unit mixed-income development. A thousand of the new units were to be set aside for public housing residents, including 750 units of rental family housing, 150 units of senior housing, and 100 for-sale units (Urban Design Associates 2000). The master plan called for five phases of redevelopment over a period of several years.

At the time of our survey, relocation at Wells was ongoing, with the next phase scheduled for 2004. There were 569 households remaining—18 percent of the original 3,200. From November 2002 to February 2003, our interviewers—a mix of public housing residents, residents of the surrounding neighborhood, and professionals—conducted face-to-face surveys with all of the Wells residents regarding the characteristics of the household, potential lease violations, hardship, and service needs. The response rate for this study was 85 percent.⁹

As we did with the *Panel Study*, we used the data to determine the proportion of residents who fell into one or more of our hard-to-house categories. Because the two surveys were not identical, we have somewhat different information about the *Residents at Risk* respondents, particularly whether they reported that someone in the household had a one-strike problem that could

⁸ The *Residents at Risk* study is funded by the Ford Foundation. See Popkin, Cunningham, and Woodley 2003 for a complete description of the study and methods.

⁹ We used two strategies to ensure that we counted all households in the development. First, we obtained an official list of all occupied units from the property manager and attempted to interview every head of household. Second, our interviewers knocked on the doors of all units officially listed as vacant to ensure that we did not miss households living there.

Table 2. Hard-to-House Residents in the *Residents at Risk* Study (at Wells)

Category	Percent
Total hard-to-house households on site ^a	72
Multiple-barrier households ^b	10
Grandfamilies ^c	7
Households including a member with a disability ^d	32
Elderly households ^e	19
Large households ^f	34
Households with one-strike problems ^g	15

^a Percentage of households that fall into at least one of the alternative housing models.

^b Percentage of households whose residents have been living in public housing for more than 10 years, do not have a high school diploma, are not employed, are less than 50 years old, and who may have a substance-abuse or one-strike problem.

^c Percentage of households with a single elderly adult who is the primary caregiver for one or more children.

^d Percentage of households that identify a member of the household as being disabled or report that the household is receiving SSI.

^e Percentage of households headed by someone 65 or older, no children present.

^f Percentage of households requiring four or more bedrooms to meet HUD standards for adequate housing. These households have a minimum of four occupants and a maximum of two occupants per bedroom (see footnote 2 for further details).

^g Percentage of residents who report that the property manager has talked to them about problems with a felony, drug arrest, or conviction.

put the family at risk of eviction. These data provide a more detailed picture of the extent of the problem of hard-to-house residents in Chicago—which, as the *Panel Study* data indicate, may be very similar to the situation in other large, central cities with multiple developments.

The *Residents at Risk* survey was done almost exactly a year after the *Panel Study* survey. As table 2 shows, a slightly higher proportion of the Wells residents (72 percent versus 62 percent) were hard-to-house and require alternative relocation options. The increase is not surprising, since relocation had progressed over that year and the residents who remained were likely those who were difficult to relocate or had chosen to stay. As was the case with the earlier survey, about a third of those with special housing needs consisted of households that include a member with a disability. The story of Irene, a frail elderly woman, appears in the appendix.

However, the proportion of large families is substantially greater, perhaps because they are more difficult to relocate. It is also possible that this finding reflects an important difference between the surveys: The *Residents at Risk* survey specifically asked about *all* members of the household, including those who were not on the lease. The proportion of multiple-barrier households is slightly lower overall than it was in the *Panel Study*, but adding a new category—households with one-strike problems—means that the proportion of families with serious problems may actually be higher. Dionne’s story (see the

appendix) illustrates the types of problems that can leave multiple-barrier families homeless. Again, these findings clearly indicate a need, especially in Chicago, for alternative relocation options that will meet the complex needs of these different groups of hard-to-house residents.

The transformation of public housing does not serve the hard-to-house

A central premise of the transformation that began in the 1990s was that the concentration of profoundly poor, nonworking households was a major contributor to the high levels of social problems in distressed developments.¹⁰ Thus, to improve the lives of public housing residents, policy makers placed increasing priority on the need to deconcentrate poverty through two complementary strategies: (1) helping residents use vouchers to relocate to better neighborhoods and (2) creating healthier, mixed-income communities in place of the distressed developments that had come to symbolize the failure of federal housing policy. However, neither of these strategies will effectively serve the vulnerable families that make up the hard-to-house population in distressed public housing.

The HOPE VI program was the largest and most visible component of the transformation. HOPE VI specifically targeted the worst public housing, combining grants for physical revitalization with funding for management improvements and supportive services to promote residents' self-sufficiency (Popkin et al. 2004).¹¹ Since 1992, HUD has awarded 446 HOPE VI revitalization and demolition grants in 166 cities.¹² To date, 63,100 severely distressed units have been demolished and another 20,300 are slated for redevelopment (HUD 2003). As of the end of 2002, 15 of the 165 HOPE VI programs that had been funded had been completed (U.S. General Accounting Office 2003).

¹⁰ See Popkin et al. (2000) for a full discussion of the history and theories underlying the transformation of public housing.

¹¹ The HOPE VI program grew out of the work of the National Commission on Severely Distressed Public Housing, which was established by Congress in 1989. Congress charged the commission with identifying severely distressed public housing developments, assessing strategies to improve conditions, and preparing a national action plan for dealing with the problem. On the basis of its investigation, the commission concluded that roughly 86,000 of the 1.3 million public housing units nationwide qualified as severely distressed and that a new and comprehensive approach would be required to address the range of problems at these developments (Fosburg, Popkin, and Locke 1996).

¹² A number of cities have received multiple grants for planning, demolition, and revitalization. Some larger cities such as Chicago, Baltimore, and Washington, DC, have received grants for several developments.

Beyond the HOPE VI program, efforts to deconcentrate poverty and offer greater choice to low-income households included an overhaul of the Section 8 program to make vouchers more acceptable to the private market¹³; vigorous enforcement of fair housing laws; and settlement of a number of public housing desegregation cases, generally involving the provision of vouchers to remedy past discrimination.¹⁴ The Moving to Opportunity (MTO) demonstration, initiated in 1994, offered special-purpose vouchers along with mobility counseling to help public housing residents move to low-poverty areas. This demonstration was designed to rigorously measure the impact of this assistance on neighborhood outcomes and the long-term well-being of families and children (Goering and Feins 2003; Orr et al. 2003). In 1996, the Regional Opportunity Counseling Initiative allocated funds to PHAs in a small number of urban regions to experiment with mobility counseling programs that would expand location choices for Section 8 holders. Also during the 1990s, tens of thousands of privately owned but federally subsidized housing units were either converted to market-rate housing or were demolished under the mark-to-market program; residents of these developments were generally given “enhanced vouchers” and relocation counseling (Locke and Nolden 1999; Varady and Walker 2003).¹⁵

In 1998, reflecting the new emphasis on mobility and location choice, the Section 8 program was renamed the Housing Choice Voucher Program. By the end of the decade, vouchers had surpassed public housing to become the largest housing assistance program in the United States and were increasingly recognized as an essential tool for helping low-income households obtain affordable housing without further concentrating poverty.

The transformation of assisted housing policy during the 1990s also led to changes in federal laws to reduce the concentration of extremely poor households in public housing developments, to repeal the one-for-one replacement rule, and to promote self-sufficiency and employment among public housing residents. As part of this effort, HUD altered the statutory and regulatory environment both to promote economic integration in developments and to reward work. Specifically, Congress repealed an array of federal admission rules that had required local housing agencies to give preference to very poor families (including homeless families) in selecting residents. PHAs were given

¹³ Provisions requiring landlords to give tenants additional notices were repealed. Also repealed were provisions that required landlords accepting one voucher family to accept all qualified voucher families (the “take one, take all” rule) and provisions that prohibited term leases.

¹⁴ For a full discussion of these cases, see Popkin et al. (2003).

¹⁵ By 2003, 62,000 units were slated for demolition under Section 2020 mandatory conversions and other demolition efforts.

greater flexibility in setting preferences based on local housing needs and priorities, thus making possible a more diverse income mix among public housing residents. QHWRA allowed PHAs to take a number of measures to attract higher-income residents, such as reinstating ceiling rents, which cap rent levels so that tenant contributions do not increase indefinitely as incomes rise.¹⁶

However, none of these changes was likely to help hard-to-house public housing residents—indeed, most were more likely to limit their access to housing assistance. As discussed earlier, a major impetus for the transformation was to move away from using public housing as the housing of last resort and to open it up to people with a wider range of incomes. But these initiatives do not address the problems of the hard-to-house, who face serious obstacles in taking steps toward self-sufficiency and need considerable help simply to maintain a stable housing unit.

Probably the change with the most profound implications for hard-to-house residents has been the loss of deeply subsidized public housing units. In developments targeted for HOPE VI, the number of deeply subsidized hard units has decreased by 22 percent of occupied units and 49 percent of all units on the sites at the time of award. PHAs are authorized under HOPE VI to apply for vouchers for units they do not replace. However, questions remain about whether the total number of deeply subsidized replacement units—including both hard units and vouchers—compensates fully for the loss of public housing units (Popkin et al. 2004).

This loss of deeply subsidized units has occurred without any substantive planning for dealing with the needs of the hard-to-house—those most likely to need a hard unit rather than a voucher. The voucher program is not designed to deal with these families. Moreover, even if they succeeded in finding a unit and leasing up, recent changes to the program mean that vouchers may not continue to provide deep, permanent subsidies that would help guarantee stable housing.

How residents have fared: Implications for the hard-to-house

The evidence on how original residents have fared under public housing transformation suggests a mixed picture overall and real reasons for concern over the most vulnerable families. Generally, relatively few original residents

¹⁶ QHWRA requires that at least 40 percent of the units made available by a PHA in a given year be occupied by families with incomes at or below 30 percent of the area median income. If more than 75 percent of the new or turnover Section 8 vouchers are used by families with incomes below 30 percent of the area median income, this 40 percent requirement can be reduced to as low as 30 percent.

are living in new, mixed-income developments. Many have received vouchers, some are living in other traditional public housing developments, and a small number have left housing assistance altogether. However, these facts alone provide little insight into how relocation has affected residents' overall well-being.

Studies that track outcomes for residents, including the *HOPE VI Resident Tracking Study* (Buron et al. 2002), MTO (Orr et al. 2003), and, most recently, the *HOPE VI Panel Study* (Buron 2004; Comey 2004; Popkin et al. 2002) show that public housing transformation has met the HOPE VI goal of providing an improved living environment for many residents. All of these studies indicate that a substantial proportion of residents are living in higher-quality housing in lower-poverty neighborhoods that are substantially safer than the distressed communities they left behind. MTO suggests that adult women and girls have experienced improvements in mental and physical health, although there were also indications of increases in risky behavior for boys. Likewise, a study of relocation in Chicago (Popkin and Cunningham 2002) documented almost immediate improvements in respondents' mental health.

However, along with positive findings about housing and neighborhood outcomes, these studies provide evidence that residents who moved to the private market, with or without housing assistance, face new challenges, particularly unstable housing and difficulty paying rent and the utilities covered in public housing (Buron et al. 2002; Levy and Kaye 2004; Orr et al. 2003). Case studies of individual sites have found the same patterns: Residents in Seattle and Fort Worth (TX) also reported hardships, especially with utility payments (Barrett, Giesel, and Johnston 2003; Kleit, Carlson, and Kutzmark 2003). While these problems affect a range of families, hard-to-house families, particularly those with multiple barriers, are more likely to face serious hardship as a result (Venkatesh 2002).

Further, and of most concern, a substantial proportion of relocatees have not realized even a basic improvement in living conditions. Findings from the first follow-up of the *HOPE VI Panel Study* sample show that more than 40 percent of the respondents still live in extremely high poverty neighborhoods, many in other traditional public housing developments (Buron 2004; Cunningham 2004). A few had become homeless, although there is no evidence that this was occurring on a large scale. Further, the findings raise questions about whether the supportive services provided under HOPE VI are sufficient to meet the needs of these vulnerable families, since a substantial proportion of them are coping with debilitating physical and mental health problems (Harris and Kaye 2004).

However, because these findings come from an interim follow-up, this evidence is only suggestive of what may be happening to the hard-to-house families identified in the *HOPE VI Panel Study* research (Popkin et al. 2002). The final wave of the study is scheduled for 2005, when relocation at all five sites should be complete. This follow-up will allow us to track what has happened to the hard-to-house residents we identified at baseline and examine the kinds of special challenges they have faced as a result of relocation.

Serving the hard-to-house population: New directions for policy

The challenge facing policy makers and PHAs is how to address the needs of this population at a time when resources for housing assistance are shrinking. Funding for HOPE VI, the public housing capital fund, and vouchers have all been reduced over the past year, and it is not clear whether the HOPE VI program, which has been the major source of funding for new public and assisted housing, will be continued beyond its current authorization (Popkin et al. 2004). Yet a primary goal of the program—and public housing transformation more broadly—is to ensure an improved living environment for all of the original residents. Hard-to-house families are the most vulnerable and the most in need of additional services and support to make a successful transition. The HOPE VI dollars that have already been awarded to PHAs for relocation, new development, and community and supportive services are not going to be cut. HUD could require HOPE VI grantees to incorporate services and housing options for the hard-to-house into their revitalization plans. For many, these options will need to include permanent and transitional supportive housing options, as well as intensive counseling during and after relocation. This type of model already exists in Chicago, where the housing authority is planning to construct at least some supportive housing at each of its new mixed-income sites. While these types of interventions are expensive, they could have important long-term benefits in terms of improving outcomes for children and reducing homelessness and the need for other costly public services, particularly hospitalization and incarceration (Culhane, Metraux, and Hadley 2002).

Table 3 summarizes our categories of hard-to-house residents and the alternative housing options that we believe are most appropriate for each group. As the table indicates, we believe that PHAs should consider a range of options for residents who are being relocated. Depending on the needs of the resident population, which will vary site by site, alternatives could include the following:

Table 3. Alternative Housing Options for Hard-to-House Residents

Category	Description	Options
Multiple-barrier households	Long-term public housing residents; unemployed; no high school diploma; less than 50 years old; may have a drug or alcohol problem	Transitional supportive housing; SROs
Grandfamilies	Elderly-headed households with children living with them; mother or father absent	Permanent supportive housing or accessible units with multiple bedrooms in the private market or redeveloped housing
Households including a member with a disability	Self identified or receiving SSI	Permanent supportive housing or accessible units in the private market or redeveloped housing
Elderly households	65 years or older; no children present	Permanent supportive housing for seniors
Large households	Requiring four or more bedrooms (HUD standards)	Search assistance and postmove support; new units in redeveloped housing
Households with one-strike problems	Ex-offenders or drug use among family members	Transitional supportive housing; counseling and support

1. *Search assistance/postmove support.* These services should include, but certainly not be limited to, helping hard-to-house tenants locate appropriate units, move into them, get settled, meet their new neighbors and landlord, and adjust to their new surroundings. Health, mental health, substance abuse, and child care services may also be important in ensuring a stable transition. Serving these tenants may mean using HOPE VI dollars to fund enhanced vouchers that would include long-term intensive counseling to help families stabilize in their new communities. These services would be most appropriate for large households, less troubled multiple-barrier households, and perhaps households including a member with a disability or grandfamilies that opt for private market housing.
2. *Transitional supportive housing.* Transitional housing is usually appropriate for households that, with sometimes substantial support, can be expected ultimately to sustain themselves in housing without supportive services, but not necessarily without rental subsidies. Supportive services in transitional housing cover a wide range, from parenting and child care to education to budgeting and life skills to training for employment. They also frequently include assistance in achieving and maintaining recovery from substance abuse, as well as mental health services and case management to ensure that tenants continue to work toward their stated goals and receive the assistance to which they are entitled. These services

are most appropriate for the multiple-barrier and one-strike households in our sample.

3. *Permanent supportive housing.* This means housing with no limit on length of stay and no requirement that tenants move out if their needs change. It is usually reserved for people with a history of housing instability coupled with disabilities that make it unlikely that they will achieve or maintain stable housing without help. This type of option would meet the needs of adults with disabilities and single elderly individuals who are being relocated from public housing; existing options are generally not appropriate for grandfamilies or households that include both children and members with disabilities. PHAs with HOPE VI grants could require developers to include permanent supportive housing that would serve these households, namely accessible units with multiple bedrooms and on-site services and support.
4. *Large/accessible units.* PHAs should require HOPE VI developers to create accessible units with multiple bedrooms as part of any new development. Such units are nearly impossible to find in the private market, and since private developers are unlikely to meet the growing need, public housing is left as the most appropriate option for these families.
5. *SRO units.* PHAs should also consider using some of their funds to construct service-enriched SRO units to serve long-term public housing residents who are not eligible for either senior or disabled housing and do not require substantial supportive services.
6. *Counseling and support for households with one-strike problems.* The housing problem for ex-offenders will not be resolved on its own. Currently, there are very few programs that provide any kind of services for ex-felons, and there is certainly no coherent plan for what to do about their housing. Addressing the needs of ex-felons will help not only public housing residents who face the risk of having their families destabilized and their rights to housing assistance jeopardized, but also the larger community; without help, these ex-felons are likely to commit other offenses (La Vigne et al. 2003).

We cannot tell from this research whether the results can be generalized to the entire public housing population. However, the fact that the *Panel Study* samples from large, central-city as well as smaller-city PHAs illustrate similar problems suggests that they are likely to be widespread and are certainly not limited to only the worst public housing developments. PHAs should be

required as part of their HOPE VI application to identify the proportion of their population that might be hard-to-house and need special housing or support.

These services are costly and will require considerable investment on the part of PHAs and federal and local governments. However, HOPE VI provides large, multimillion-dollar grants to local PHAs; the bulk of these funds are being used to underwrite the construction of new mixed-income developments, including units for higher-income households. While these investments are justifiable as a means of creating sustainable developments, it is also reasonable to require PHAs to set aside a meaningful portion of their awards to serve tenants who have relied on public housing as a last resort. These tenants cannot be easily accommodated in the private market, and local social service agencies in most cities are already struggling to meet the needs of their existing clients. The federal government and local PHAs have an obligation to ensure that all families displaced by HOPE VI redevelopment end up in safe, stable housing and do not join the ranks of homeless people.

Appendix

Annie: A grandmother with no good choices, a family with special needs. Annie ended up with custody of her three grandchildren after her youngest daughter's drug abuse problem got so bad that Annie felt compelled to report her to the Department of Children and Family Services. The department insisted that Annie move from the apartment where she had lived for many years because it was too small for her and the children. Keisha, the youngest grandchild, has profound disabilities and requires constant care. After Annie had struggled for several years to pay for her private market apartment, rent increases and the difficulty of carrying Keisha up and down the stairs finally forced Annie to apply for public housing on an emergency basis. The PHA placed her in a rowhouse at Ida B. Wells, where she and the children have lived for nine years.

Annie is now nearly 80 and has heart disease and emphysema. Keisha is 17 and still needs help with feeding, bathing, toileting, and dressing. She cannot talk, but Annie says she is "the sweetest child" and communicates through hugs and kisses. Keisha's older brother, Robert, has learning disabilities and is still in high school at age 19. Their older sister now has children of her own and has moved out of state.

Annie loves her grandchildren dearly, but can no longer manage on her own. She wants her older daughter, Betty, to be able to move in and help. The

family would then need an accessible unit with three bedrooms, very hard to find in the private market and nonexistent in public housing. Annie and Keisha could possibly move into a senior/disabled building, but not with Robert and Betty. Annie says she has no idea where she and her family will go when her building closes; she just hopes the PHA will let her stay in her unit as long as she can.

Irene: An elderly woman who is afraid to lose her family and her neighborhood. Irene is a frail senior who is terrified of leaving her family and the neighborhood where she has lived for the past 50 years. She depends on her son, Harold, to take care of her. With the Wells demolition looming, a relocation counselor told Irene that she would be relocated into senior housing, where she would have to live alone.

Irene was born in Mississippi, but moved to Chicago's South Side in the 1950s and has lived there ever since. In 1980, she moved to Wells, where she finished raising her two children and her nephew. After her children left, she was moved to a one-bedroom unit. However, at about the same time, her daughter, who had an apartment on the floor above, was relocated out of the development. Irene felt vulnerable living in a new part of Wells with no one to help her. Her health was becoming increasingly poor, and she asked for a larger apartment so that a family member could live with her. When the property manager refused officially to permit the move, she moved herself into a nearby vacant two-bedroom unit. When she told her property manager what she had done, he agreed that it was the right thing to do.

Harold moved into the apartment to help care for her. He used to be on Irene's lease when he was younger, but he now has a criminal record, so the PHA will not put him back on. Irene says that Harold has not spent any time in jail, although he was charged with a crime several years ago. Nor has Irene been able to get her nephew, John, on the lease. When she took him in more than 10 years ago, the property manager told her that it was not necessary to have him added to the lease. Now, with relocation imminent, Irene is finding it difficult to have John added so that he can be counted as a part of the household and move with her to a new unit. He is now 18 and attends college, but Irene fears that he will have no place to come home to when he graduates.

Irene says that she will refuse to move to senior housing because she wants to stay with her family and she wants to stay in familiar surroundings. She says she does not need senior housing because her family helps care for her. And while she does not like the violence that still occurs in and around Wells, she does not want to leave the neighborhood where she has spent most of her life.

Dionne: A woman whose multiple barriers left her homeless. Dionne is an attractive woman in her late thirties. Her family lived in Wells for a time when she was growing up, and several of her relatives still live in the area. When she got into trouble, it was the only place she knew to go.

Dionne used to have a regular job. She had even worked her way up to a supervisory position and was making decent money—enough to support herself and her three children. But for the past three years she has been in what she calls a “downward trend.” First, her mother died, and then she went into a profound depression. She says she felt so bad that she could barely function. Getting out of bed each day was a major challenge. Her employer granted leave, but it was not long enough for her to recover. She lost her job and her apartment. Her father had a Housing Choice voucher, and she and her children ended up becoming illegal members of his household.

Dionne cared for her father until he died about six months ago, plunging her and her children into even worse circumstances. She says she hoped that the PHA would transfer his voucher to her, but for reasons she does not understand, this did not happen. She and her children have been staying off and on with various relatives who live in and near Wells, but Dionne says none of them is interested in helping them over the long term. Her youngest child is having trouble in school, and she does not know how to help him.

As a working-class woman who has never been a drug addict, Dionne has no street network to provide support or information, and she does not know where to get food or shelter. Her oldest child, Lamont, has a job, which helps a little. But lately things have gotten so bad that Dionne has been reduced to begging on the street and sleeping in vacant units with her children. When she cannot find a vacant unit, she and her children sleep on park benches. She feels terrible about what is happening to her “beautiful children,” but by now she is so depressed that she simply has no idea how to reverse her downward trend.

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