Dealing with Uneven Geographies of Opportunity through Neighborhood Revitalization

Jill Khadduri: comments on papers by Ingrid Ellen, Katherine O'Regan, and Mark Joseph

Unifying Theme: Influence of Housing Policy on Neighborhood Revitalization

- Joseph: transformation of public housing neighborhoods into lower concentrations of poor people
- Ellen and O'Regan: lowest income neighborhoods becoming less poor in 1990s—may be partly explained by housing policy shifts that reduce poverty concentrations
- Thinning out of public housing began 1995-2000—90,000 units concentrated in poorest neighborhoods
- Low Income Housing Tax Credit already built 984,000 units by 2000, now probably at 1.5 million units.

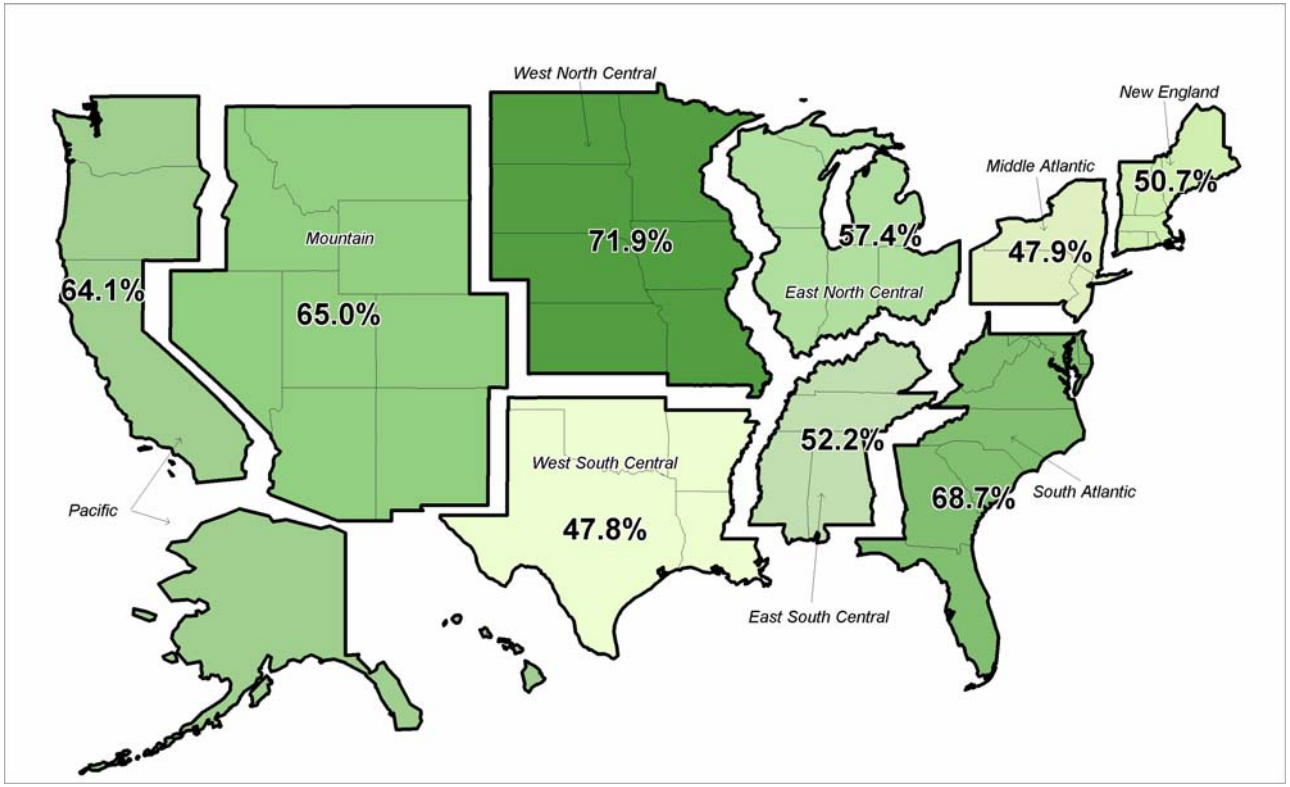
LIHTC Housing in Census Tracts with Relatively *Low* Concentrations of Poverty

- 60% percent of LIHTC rental housing *in metro areas* 1995-2005 is in tracts with poverty rates below 20%
  - Ellen and O'Regan hypothesize that this may have lured some low income people away from the poorest neighborhoods

But we don't know the income levels (or race/ethnicity or household composition) of the occupants of LIHTC developments, so cannot infer where the occupants came from

  - A data collection mandate in pending federal legislation will help us understand better the social policy effects of the LIHTC program

LIHTC Units in Census Tracts Less than 20 Percent Poor, 1995-2005



Large Variations in Where LIHTC Units are Located

- Wide variation among metro areas in extent to which LIHTC units have been developed in tracts with low poverty rates
- Map illustrates this on a regional basis; metro areas vary within regions as well
- Ellen and O'Regan should test whether variations in where LIHTC units are located within each metro area help explain metro to metro differences in income growth of low income tracts

LIHTC Housing Has Also Been Developed in Census Tracts with *High* Poverty Rates

- 23% of LIHTC rental housing *in metro areas* 1995-2005 is in census tracts with poverty rates above 30%. **In central cities, 35% in tracts more than 30% poor.**
- May be heavily occupied by residents with somewhat higher incomes: above poverty--40-60% of area median income, compared to below 30% AMI for public housing
- Again, we don't really know who lives in the LIHTC units
- However,case studies of LIHTC developments in low income neighborhoods show them to have a mixed income character—Buron study for HUD, our work for Neighborworks on managing mixed income housing

Housing Vouchers May Also Reduce Poverty Concentrations

2 million housing vouchers: used to move away from the poorest neighborhoods

- Experimental design study of vouchers for welfare families—small but statistically significant gain in neighborhood quality by all voucher users
- HOPE VI relocation studies show substantial gains in neighborhood quality by those using vouchers to move from distressed public housing
- We’re doing more analysis of the voucher study data to see if moves are greater for those who start in the poorest neighborhoods

Mixed Income Housing and Neighborhood Revitalization

HOPE VI has replaced public housing with fewer public housing units and added LIHTC and market rate units

Not instant gentrification—spillover effects to *pre-existing* neighborhood housing are slow in coming--several attempts to measure HOPE VI effect on house price change have showed no effect (but often few for-sale units)

Further change in neighborhood more likely to be new homeownership units. Takes a long time to bring on line because developers appropriately cautious about market

Mixed Income Housing and Community

Creating community with middle income renters difficult because of high mobility—consistent finding from other case studies of HOPE VI developments

LIHTC “tier” may be more important because less mobile, more likely to have children

Joseph correct in questioning whether community is needed: lower crime and greater ability to demand public services may be sufficient to improve life chances for poor children

Moving to Opportunity demonstration suggests role modeling doesn’t work, even among same race—social class barriers

Neighborhood Revitalization and Schools

Quality of schools may be the most important factor

- For improving the life chances of poor children
- For achieving long-range a mixed income neighborhood that works as a community

New focus of community development

- So little experience as yet that hard to evaluate impact on neighborhood
- Intervention at implementation stage: We’re working with Enterprise Community Partners on how to create a good school as part of investment in neighborhood change