

Assisted Housing Mobility Initiatives

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Beginning with the landmark Gautreaux housing desegregation lawsuit,¹ local programs have used federally funded housing vouchers to help low-income families move from neighborhoods of poverty and distress to neighborhoods that offer greater opportunity. The latest evidence finds that such “moves to opportunity” yield long-term economic gains, particularly for children who are young at the time of the move. This memo summarizes what we know and what we still need to learn about the feasibility and effectiveness of assisted housing mobility initiatives.

The Federal Housing Choice Voucher Program

Since the 1970s, rental vouchers (originally called certificates) have been a mainstay of federal housing policy. Today, the Housing Choice Voucher Program supplements rent payments for about 2.2 million low-income households. Recipients choose a house or apartment available in the private market and contribute about 30 percent of their incomes toward rent, while the program pays the difference up to a “payment standard” pegged to local market conditions. Voucher holders are responsible for finding a house or apartment that meets the program’s housing quality standards with a landlord who is willing to participate in the program. Subsidy payments go directly to the landlord, supplementing the household’s rent contribution.

In principle, the housing voucher program gives low-income families the ability to move to neighborhoods of their choice. But the program has never realized its potential to provide low-income families access to low-poverty and less segregated communities. Housing vouchers have consistently been found to produce better locational outcomes than traditional public housing, but white recipients tend to live in lower-poverty neighborhoods than African American and Hispanic recipients do, and older people live in lower-poverty neighborhoods than families with children and people with disabilities do.²

Origins of Assisted Housing Mobility

In the late 1980s, evidence from Chicago’s Gautreaux housing desegregation program suggested that when housing vouchers are supplemented with counseling, search assistance, and landlord outreach, they can help more families gain access to better neighborhoods. The Gautreaux program was launched as part of the court-ordered settlement in a lawsuit against the Chicago Housing Authority and the US Department of Housing and Urban Development (HUD). The court ordered the housing authority to provide housing vouchers that black public housing residents (and families on the waiting list for public housing) could use to move to suburban areas.³ Early evidence suggested that adults who used vouchers to move to white suburban communities were more likely to be employed than those who remained in the city and that their children were doing better in school.⁴

These promising early findings led to the Moving to Opportunity (MTO) for Fair Housing Demonstration, which implemented a controlled experimental design to rigorously test the effects of offering special-purpose vouchers coupled with mobility services to allow residents of high-poverty public housing developments to move to low-poverty neighborhoods region-wide.⁵ Mobility counseling for voucher recipients was also a core element in other desegregation plans implemented by HUD and local public housing agencies under court-ordered litigation settlements in the 1990s and early 2000s.⁶

Long-Term Impacts of Assisted Housing Mobility

When low-income families move from neighborhoods of distress to neighborhoods of opportunity, their well-being and life chances improve significantly. The evaluation of the MTO demonstration initially concluded that the families in the MTO experimental group enjoyed significantly lower crime rates, improved housing, and better mental health than the control group, but *not* higher employment, incomes, or educational attainment.⁷

One reason early MTO gains may have been limited to health outcomes is that few families in the experimental group spent more than a year or two in low-poverty neighborhoods.⁸ The MTO families who lived in low-poverty neighborhoods for longer achieved better outcomes in work, school, and health. Adults living in low-poverty neighborhoods had higher incomes, had higher household earnings, and were more likely to be employed and have earnings above the federal poverty level. Youth (both boys and girls) living in low-poverty neighborhoods had higher English and math test scores.⁹

The most recent MTO research uses Internal Revenue Service data to track long-term trends in the incomes of both adults and children from the demonstration. This analysis, which compares outcomes for treatment and control families, finds that children who were younger than 13 when their families moved earned 31 percent more, on average, as adults. These children are also more likely to attend college, more likely to live in better neighborhoods as adults, and less likely to become single parents.¹⁰

Assisted Housing Mobility Programs Today

Mobility counseling programs have emerged to help low-income families reach opportunity-rich neighborhoods using housing vouchers. As of 2015, 15 comprehensive mobility programs were in place.¹¹ Like Gautreaux, most of these programs were mandated under desegregation litigation settlements. Most follow a common framework established by Gautreaux and MTO, which includes individualized search assistance, landlord outreach, and financial supports for moves.

The most robust programs operating under desegregation settlements also follow Gautreaux and MTO's model of mandating initial moves to targeted neighborhood types—typically, areas with low poverty rates and/or few households receiving rent subsidies. In Baltimore, participation is voluntary, but participants are required to move to census tracts that the program identifies as opportunity areas, and to remain there for at least two years after their initial move.¹² Evidence on location outcomes for Baltimore mobility program participants is promising, with a large proportion of participating households moving to and staying in opportunity-rich areas.¹³ Other programs encourage but do not require moves to specific neighborhoods.

These comprehensive mobility programs are by no means the norm, serving only a fraction of the 2.2 million households nationwide who receive vouchers (from roughly 3,000 public housing authorities, or PHAs). This is in part because comprehensive programs can be prohibitively costly for jurisdictions that are not mandated by law to provide them. Program costs per household are difficult to estimate across programs that use different models and set different goals, but a 2010 study looking at mobility-related efforts found that costs ranged between \$60 and \$6,000 per family served.¹⁴ As of 2009, the Baltimore program cost \$4,000 to \$5,000 per household.¹⁵ This is in addition to the cost of the housing subsidy itself. Housing authorities may also struggle to design and launch comprehensive programs because of capacity constraints and because little empirical evidence documents which components or approaches are the most effective.¹⁶ Substantial questions remain about what incentives, requirements, and hands-on assistance are most cost-effective in facilitating and sustaining moves to opportunity, but an evidence base is emerging.

More housing authorities are experimenting with low-cost ways to encourage and support moves to opportunity-rich areas, absent resources to launch comprehensive counseling. Recent research on the Moving to Work (MTW) program, which grants 39 housing authorities funding and policy flexibility, has identified mobility efforts ranging from incentives for landlords in high-opportunity areas, to grants and loans to voucher holders to help with moving costs. A 2017 Urban Institute inventory of mobility-related initiatives by MTW housing authorities identified 46 activities being implemented by 24 PHAs.¹⁷

Recognizing the evidence gap between what we know about the benefits of moving to low-poverty neighborhoods and what we know about cost-effective ways to encourage opportunity moves, the Obama administration included in its fiscal year 2017 budget \$15 million for a new Mobility Counseling Demonstration program to test ways to help voucher holders reach areas of opportunity. And the Creating Moves to Opportunity project, led by Raj Chetty and colleagues, is spearheading an effort to test mobility interventions.¹⁸

Barriers to Opportunity Moves

Multiple barriers discourage low-income families, especially families of color, from using housing vouchers to move to low-poverty (or high-opportunity) communities. Shortages of moderately priced rental housing in opportunity-rich communities, tight market conditions, racial and ethnic discrimination, ineffective local administration, and landlords unwilling to accept vouchers can all contribute to this problem.¹⁹ And voucher holders may face health or other barriers that complicate their searches.²⁰

Evidence indicates that voucher holders experience discrimination by landlords, but we know little about how often it occurs, whether it happens more frequently in low-poverty neighborhoods, or whether laws intended to prevent discrimination are effective. Voucher holders are not a protected class under the Federal Housing Act, and in most jurisdictions, landlords are legally permitted to refuse voucher holders as tenants. Nationwide, over a dozen states and local areas have enacted antidiscrimination laws to deter landlord discrimination.²¹ Some research suggests that, on average, voucher holders in these jurisdictions do reach slightly lower-poverty areas.²² But the differences are marginal, and other research and housing discrimination testing studies suggest that landlords may

ignore protections.²³ Because many voucher holders are people of color, advocates and practitioners often posit that landlords use voucher status as a proxy for race and that discrimination against voucher recipients masks racial discrimination. But no national estimates of the incidence of discrimination against voucher holders exist.²⁴

Within any metropolitan area, multiple housing authorities operate voucher programs, each with its own rules on maximum rents, the size of units a household may rent, and the calculation of income and rent payments. In the Boston area, for example, approximately 58 PHAs operate voucher programs. The average is about six for metropolitan statistical areas nationwide.²⁵ This fragmented administrative structure may confuse voucher holders and landlords, thereby limiting moves across jurisdictions and preventing voucher holders from reaching high-quality neighborhoods. Moreover, PHAs may restrict moves between jurisdictions in some circumstances. Most PHAs require that households receiving a voucher must find housing within the same jurisdiction for at least one year before moving to a new jurisdiction. And several MTW housing authorities restrict moves to other jurisdictions unless voucher holders can justify relocation based on education, employment, health or other long-term care needs, or domestic violence.²⁶

Conclusion

The evidence for expanding assisted housing mobility programs is strong, and much remains to be learned about the cost-effectiveness of different models. Evaluation of local efforts and federal regulatory reforms will help identify cost-effective programs and policies. But these initiatives cannot, on their own, ensure that low-income families have access to high-opportunity neighborhoods, absent an expanded supply of housing assistance and of affordable housing in vibrant communities.²⁷

Notes

1. “The Gautreaux Lawsuit,” BPI, accessed November 17, 2017, <https://www.bpichicago.org/programs/housing-community-development/public-housing/gautreaux-lawsuit/>.
2. Deborah J. Devine et al., *Housing Choice Voucher Location Patterns: Implications for Participant and Neighborhood Welfare* (Washington, DC: US Department of Housing and Urban Development, Office of Policy Development and Research, 2003), https://www.huduser.gov/portal/publications/hsgfin/location_paper.html; Martha M. Galvez, “What Do We Know about Housing Choice Voucher Program Location Outcomes? A Review of Recent Literature” (Washington, DC: Urban Institute, 2010), <https://www.urban.org/research/publication/what-do-we-know-about-housing-choice-voucher-program-location-outcomes>; Kirk McClure, Alex F. Schwartz, and Lydia B. Taghavi, “Housing Choice Voucher Location Patterns a Decade Later,” *Housing Policy Debate* 25, no. 2 (2015): 215–33; and Margery Austin Turner and Charlene Wilson, *Affirmatively Furthering Fair Housing: Neighborhood Outcomes for Tenant-Based Assistance in Six Metropolitan Areas* (Washington, DC: Urban Institute, 1998). Racial disparities in locational outcomes for voucher holders mirror those of similarly poor households without vouchers, in that white people reach low-poverty neighborhoods more often than people of color. But African American and Hispanic families with children who receive housing vouchers live in lower-poverty areas on average than their similarly poor counterparts without vouchers; see Barbara Sard and Douglas Rice, *Creating Opportunity for Children* (Washington, DC: Center on Budget and Policy Priorities, 2014), https://www.cbpp.org/research/creating-opportunity-for-children#_2_0_0.

3. Alexander Polikoff, *Waiting for Gautreaux: A Story of Segregation, Housing, and the Black Ghetto* (Evanston, IL: Northwestern University Press, 2006).
4. Julie E. Kaufman and James E. Rosenbaum, "The Education and Employment of Low-Income Black Youth in White Suburbs," *Educational Evaluation and Policy Analysis* 14, no. 3 (1992): 229–40; Susan J. Popkin, James E. Rosenbaum, and Patricia M. Meaden, "Labor Market Experiences of Low-Income Black Women in Middle-Class Suburbs: Evidence from a Survey of Gautreaux Program Participants," *Journal of Policy Analysis and Management* 12, no. 3 (1993): 556–73; and Leonard S. Rubinowitz and James E. Rosenbaum, *Crossing the Class and Color Lines: From Public Housing to White Suburbia* (Chicago: University of Chicago Press, 2000).
5. Xavier de Souza Briggs, Susan J. Popkin, and John Goering, *Moving to Opportunity: The Story of an American Experiment to Fight Ghetto Poverty* (New York: Oxford University Press, 2010). The MTO demonstration was implemented in Baltimore, Boston, Chicago, Los Angeles, and New York City.
6. Susan J. Popkin et al., "Obstacles to Desegregating Public Housing: Lessons Learned from Implementing Eight Consent Decrees," *Journal of Policy Analysis and Management* 22, no. 2 (2003): 179–99.
7. Lisa Sanbonmatsu et al., *Moving to Opportunity for Fair Housing Demonstration Program Final Impacts Evaluation* (Washington, DC: US Department of Housing and Urban Development, Office of Policy Development and Research, 2011), https://www.huduser.gov/publications/pdf/mtofhd_fullreport_v2.pdf. The health gains enjoyed by MTO's experimental families are important. High rates of obesity, anxiety, and depression severely degrade a person's quality of life, employability, and parenting abilities.
8. See, for example, Jennifer Comey, Xavier de Souza Briggs, and Gretchen Weismann, "Struggling to Stay Out of High-Poverty Neighborhoods: Lessons from the Moving to Opportunity Experiment" (Washington, DC: Urban Institute, 2008), <https://www.urban.org/research/publication/struggling-stay-out-high-poverty-neighborhoods-lessons-moving-opportunity-experiment>.
9. Margery Austin Turner, Austin Nichols, and Jennifer Comey, "Benefits of Living in High-Opportunity Neighborhoods: Insights from the Moving to Opportunity Demonstration" (Washington, DC: Urban Institute, 2012).
10. Raj Chetty, Nathaniel Hendren, and Lawrence F. Katz, "The Effects of Exposure to Better Neighborhoods on Children: New Evidence from the Moving to Opportunity Experiment" (Cambridge, MA: National Bureau of Economic Research, 2015). Similar evidence is emerging from the most recent longitudinal research on outcomes for families living in subsidized developments in opportunity-rich communities; see Douglas S. Massey et al., *Climbing Mount Laurel: The Struggle for Affordable Housing and Social Mobility in an American Suburb* (Princeton, NJ: Princeton University Press, 2013). Massey and colleagues' in-depth study of a subsidized housing project in affluent Mt. Laurel, New Jersey, finds that low-income families reap huge benefits from living in a safe, opportunity-rich community, even though the housing development does not include a mix of incomes. The authors find that the likelihood of gains in educational achievement, employment, and income rise with the length of residency.
11. Poverty and Race Research Action Council, *Expanding Choice: Practical Strategies for Building a Successful Housing Mobility Program, Appendix B: State, Local, and Federal Laws Barring Source-of-Income Discrimination* (Washington, DC: Poverty and Race Research Action Council, 2017), <http://www.prrac.org/pdf/AppendixB.pdf>.
12. "Baltimore Housing Mobility Program," Baltimore Regional Housing Campaign, accessed November 17, 2017, <http://www.baltimoreregionalhousing.org/bhmp/>.
13. Stefanie DeLuca and Peter Rosenblatt, "Walking Away from *The Wire*: Housing Mobility and Neighborhood Opportunity in Baltimore," *Housing Policy Debate* 27, no. 4 (2017): 519–46, <https://doi.org/10.1080/10511482.2017.1282884>.
14. Mary K. Cunningham et al., "Improving Neighborhood Location Outcomes in the Housing Choice Voucher Program: A Scan of Mobility Assistance Programs" (Washington, DC: Urban Institute, 2010),

<https://www.urban.org/research/publication/improving-neighborhood-location-outcomes-housing-choice-voucher-program-scan-mobility-assistance-programs>.

15. Lora Engdahl, *New Homes, New Neighborhoods, New Schools: A Progress Report on the Baltimore Housing Mobility Program* (Baltimore: Baltimore Regional Housing Campaign; Washington, DC: Poverty and Race Research Action Council, 2009), <http://files.eric.ed.gov/fulltext/ED535457.pdf>.
16. Cunningham et al., “Neighborhood Location Outcomes.”
17. Martha M. Galvez, Jasmine Simington, and Mark Treskon, *Moving to Work and Neighborhood Opportunity: A Scan of Mobility Initiatives by Moving to Work Public Housing Authorities* (Washington, DC: Urban Institute, 2017), <https://www.urban.org/research/publication/moving-work-and-neighborhood-opportunity>. HUD has contracted with the Urban Institute for an evaluation of the MTW program, which includes an inventory of initiatives in place as of 2016 under the 39 MTW housing authorities.
18. The project is in the planning phase. Seventeen housing authorities have expressed interest in participating by hosting a random-assignment mobility intervention. An initial pilot was launched in 2017 in the Seattle–King County area of Washington State; see “Creating Moves to Opportunity: Seattle and King County,” Seattle Housing Authority, accessed November 17, 2017, <https://www.seattlehousing.org/creating-moves-to-opportunity-seattle-king-county-pilot-project-fact-sheet>.
19. Tighter housing markets have been found to have lower success rates and longer search times for voucher holders, compared with looser markets; see Meryl Finkel and Larry Buron, *Study on Section 8 Voucher Success Rates* (Washington, DC: US Department of Housing and Urban Development, Office of Policy Development and Research, 2001), <https://www.huduser.gov/publications/pdf/sec8success.pdf>. Research suggests that most neighborhoods contain at least some voucher-affordable units; see Mary K. Cunningham and Audrey Drosch, *Neighborhood Quality and Racial Segregation* (Washington, DC: Urban Institute, 2005), <https://www.urban.org/research/publication/neighborhood-quality-and-racial-segregation>; and Devine et al., *Voucher Location Patterns*. But fewer affordable units are found in low-poverty or high-opportunity areas; see Kirk McClure, *Housing Choice Voucher Marketing Opportunity Index: Analysis of Data at the Tract and Block Group Level* (Washington, DC: US Department of Housing and Urban Development, Office of Policy Development and Research, 2011). Many landlords with housing in desirable neighborhoods refuse to participate in the federal voucher program. They fear that low-income families will make risky tenants and undesirable neighbors or that red tape and bureaucratic hassles are inevitable; see Margery Austin Turner, Susan J. Popkin, and Mary K. Cunningham, *Section 8 Mobility and Neighborhood Health* (Washington, DC: Urban Institute, 2000), <https://www.urban.org/research/publication/section-8-mobility-and-neighborhood-health>. Some landlords do not accept vouchers or may only accept them in properties in less desirable neighborhoods.
20. Jennifer Pashup et al., “Participation in a Residential Mobility Program from the Client's Perspective: Findings from Gautreaux Two,” *Housing Policy Debate* 16, no. 3–4 (2005): 361–92, <https://doi.org/10.1080/10511482.2005.9521550>; Susan J. Popkin and Mary K. Cunningham, *CHAC Section 8 Program: Barriers to Successful Leasing Up* (Washington, DC: Urban Institute, 1999), <https://www.urban.org/research/publication/chac-section-8-program-barriers-successful-leasing>; and Peter Rosenblatt and Stefanie DeLuca, “‘We Don’t Live Outside, We Live in Here’: Neighborhood and Residential Mobility Decisions among Low-Income Families,” *City & Community* 11, no. 3 (September 2012): 254–84, <https://doi.org/10.1111/j.1540-6040.2012.01413.x>.
21. Poverty and Race Research Action Council, *Expanding Choice*.
22. Lance Freeman and Yunjing Li, “Do Source of Income (SOI) Antidiscrimination Laws Facilitate Access to Better Neighborhoods?” (paper, Association of Public Policy and Management Fall Research Conference, Baltimore, November 8, 2012); and Martha M. Galvez, “Defining ‘Choice’ in the Housing Choice Voucher Program” (PhD diss., New York University, 2011).
23. Martha M. Galvez, “Getting Past ‘No’: Housing Choice Voucher Holders’ Experiences with Discrimination and Search Costs” (Washington, DC: Poverty and Race Research Action Council, 2010). A study in New York City

found signs of voucher denial in ads screened on a one-day Craigslist review; see Fred Freiberg and Diane L. Houck, “No License to Discriminate: Real Estate Advertising, Source of Income Discrimination, and Homelessness in New York City” (New York: Fair Housing Justice Center, 2008), http://www.fairhousingjustice.org/wp-content/uploads/2012/11/License_to_Discriminate_finalDRAFT.pdf. Tests conducted in Washington, DC, in 2010 and between 2011 and 2013 found signs of discrimination; see Equal Rights Center, *Still in Search of Decent Housing: A Five Year Reflection on Discrimination against Housing Choice Voucher Holders in the District of Columbia* (Washington, DC: Equal Rights Center, 2011); and Equal Rights Center, “Will You Take My Voucher?: An Update on Housing Choice Voucher Discrimination in the District of Columbia” (Washington, DC: Equal Rights Center, 2013), https://equalrightscenter.org/wp-content/uploads/will_you_take_my_voucher.pdf. In Seattle, tests conducted by email and telephone showed evidence of discrimination; see “2015 Fair Housing Testing,” Seattle Office for Civil Rights, accessed November 20, 2017, <http://www.seattle.gov/civilrights/civil-rights/fair-housing/testing>.

24. In 2014, HUD launched the first large-scale study of discrimination against housing voucher holders. The Urban Institute is conducting this study.
25. Galvez, “Defining ‘Choice.’”
26. HUD is trying to address PHA fragmentation and barriers to mobility through regulatory reforms to the voucher program, including encouraging local housing authorities to create regional consortia, clarifying rules about voucher portability, and experimenting with Small Area Fair Market Rent standards. The effectiveness of these reforms remains unknown.
27. Potential supply-side policies include changes to local zoning and land use regulations to encourage high-density development (including multifamily rental properties), inclusionary zoning provisions that mandate affordable units in every new subdivision, and changes to local occupancy codes to allow experimentation with low-cost housing models, such as micro-units and auxiliary housing units (e.g., garage apartments and granny flats). These local reforms can be accelerated by state policies that establish and monitor “fair share” requirements that every jurisdiction accommodate a portion of its region’s projected housing needs.

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ABOUT THE US PARTNERSHIP ON MOBILITY FROM POVERTY

With funding from the Bill & Melinda Gates Foundation, the Urban Institute is supporting the US Partnership on Mobility from Poverty. Led by chair David Ellwood and executive director Nisha Patel, the Partnership consists of 24 leading voices representing academia, practice, the faith community, philanthropy, and the private sector.

The Partnership’s definition of mobility has three core principles: economic success, power and autonomy, and being valued in community. Our collective ambition is that all people achieve a reasonable standard of living with the dignity that comes from having power over their lives and being engaged in and valued by their community.