

The Smokescreen of Poverty Deconcentration

Edward G. Goetz
University of Minnesota

Should the deconcentration of poverty be a leading objective of federal housing policy? No.

Deconcentrating poverty is a smokescreen. It camouflages forced relocation of low-income households. What do we mean when we talk about *deconcentrating poverty*? As it has been implemented to date, deconcentration has meant manipulating the spatial arrangement of federally subsidized low-income families to either disperse or dilute poverty. Dispersal is accomplished through (1) providing vouchers to subsidized families who wish to move out of subsidized developments that have concentrations of poverty, or (2) forcing the movement of subsidized families through the demolition and redevelopment of their subsidized communities. Dilution is accomplished through redevelopment that reduces the number of low-income subsidized units in a given site and mixing them with units to be occupied by middle-class households induced into moving in. Thus, although *deconcentrating poverty* has the sound of a sweeping and comprehensive effort, in reality it is much less than that. In the end, it is simply the spatial rearrangement of federally subsidized low-income households.

Federally sponsored poverty deconcentration initiatives have had this narrow focus, despite the fact that we can imagine a much wider range of policy options to deconcentrate poverty. For example, we might mount an assault on the restrictive and exclusionary practices of predominantly affluent White communities, but we have not done so at the federal level, nor have we used federal resources to support state and local efforts in that area. We might otherwise mandate that these exclusionary communities accept subsidized very low-income households. Such a mandate has never been made, nor have we used federal resources to support such an approach at the state and local levels. We could force middle-class or affluent households to move to achieve income mix, but we have not done so. We could impose restrictions on private-sector housing developers to ensure income mix wherever they build, but again, we have not done so at the federal level, and we have made no significant effort to use federal resources to support the few inclusionary housing programs that exist at the state and local levels.

Readers may argue that these ideas are out of the realm of what is possible politically, no matter how much they might help to create income mix. I agree. They have not been pursued because they are political nonstarters, and they are highly unlikely to be pursued in the future for the same reason. For example, who among you envisions the federal government limiting the mortgage interest deduction to people who live in mixed-income neighborhoods? Yet, making housing assistance for very low-income people contingent on income mix is widely advocated. As long as these political

constraints on the grand idea of deconcentrating poverty exist, we will continue to see limited initiatives that have the effect of merely relocating very low-income, subsidized housing residents.

The difference between the Moving to Opportunity for Fair Housing (MTO) demonstration program and the HOPE VI Program is instructive here. MTO was designed to facilitate the voluntary mobility of very low-income families who wanted to move to low-poverty neighborhoods. No other direct benefits were forecast as a result of the program other than the improvements to the lives of the families who participated. The MTO program was defunded in its second year, abandoned because of opposition from middle-income communities who thought they might be harmed by it. HOPE VI, on the other hand, was critically different from MTO in two important ways. First, public housing residents displaced by the program were not guaranteed a move to a low-poverty neighborhood. Indeed, as the research shows, just the opposite occurred—most families moved to other segregated and poor neighborhoods. Thus, HOPE VI avoided generating the same backlash from middle-income communities that MTO produced. Second, HOPE VI incorporated physical redevelopment of public housing communities, generating a supportive constituency for the program by producing benefits to property owners, investors, place-based entrepreneurs, large developers, and local officials. Property owners and investors could capitalize on the latent land value that had been suppressed by the existence of public housing, and local officials appreciated the increased property values and decreased service needs in the community post redevelopment. The HOPE VI Program that forced the displacement even of families who did not wish to deconcentrate lasted for two decades and, when it ended, it was replaced with a similar program. MTO, which was voluntary and therefore proceeded without burdening low-income families, was eliminated in 2 years. The fate of these programs had little to do with how they treated very low-income people and had everything to do with how they related to nonpoor constituencies.

So, for the sake of accuracy, we need to eliminate the phrase *deconcentrating poverty* because it obscures what we are really talking about. Let us call this initiative what it is: relocating poor people in ways that do not offend or alienate the nonpoor.

Deconcentration programs (including MTO and HOPE VI) have been disappointments, furthermore, even on their own terms. The record is pretty clear. Years of research on the MTO program shows that benefits were limited to participants leaving the most extreme conditions of neighborhood deprivation (Sharkey, 2013). Even then, the benefits they experienced did not extend to income or economic security. Other participants, on the whole, did not show benefits from the program. Research from across the country on HOPE VI has also documented a lack of consistent benefits (Goetz and Chapple, 2010). The pattern of benefits to these families is modest, inconsistent, and balanced by measurable costs as well. Most important to note in this discussion is that forced relocation has failed to result in improved economic security, while undercutting the informal support networks that the poor rely on. Benefits of relocation tend to be experienced by the subset of families who were anxious to leave in the first place (Goetz, 2010). Several explanations for why dispersal has failed to produce the expected results range from an incomplete theory of poverty in the first place to poor translation of theory into policy and to poor implementation (Goetz and Chapple, 2010).

We call displacement and redevelopment *deconcentration*, even though most displaced families simply move to other high-poverty neighborhoods. Very few of the original residents make it back

to enjoy the benefits of redevelopment. As the Urban Institute reported, the only intervention that most residents experienced in HOPE VI was the forced relocation from their homes (Levy and Woolley, 2007).

The only possible basis for calling deconcentration a success is the redevelopment benefits that have been generated. For example, Bruce Katz has called HOPE VI “the most successful urban redevelopment initiative of the past half-century” (Katz, 2009: 15). Setting aside for the moment that that is a pretty low bar, one is prompted to ask, “successful for whom?” City officials who wished to quickly shift large swaths of land into sites of tax revenue generation certainly benefited, as did the private developers and investors whose renewed interest in the affected neighborhoods coincided with the elimination of the old subsidized housing communities. The relocated residents have not benefited nearly so much.

As Sharkey (2013: 175) noted, “...it is time to discard the idea that moving large numbers of families out of the ghetto can be a primary solution to concentrated poverty.”

Deconcentrating poverty diverts attention and resources away from adequately addressing poverty. Intervening factors, such as human capital endowments, health, access to supports (including transportation and informal social network supports), are not addressed by deconcentration and are preconditions for economic mobility. Addressing poverty directly through investments makes better use of the federal government’s resources in these preconditions rather than forcing a change of address for very low-income subsidized families.

Regarding mobility, policymakers should focus on enhancing choices, not forcing a particular choice on recipients of assisted housing. Most of the research shows that the most highly motivated to move are the ones who experience the most benefits from deconcentration. The role of the federal government should therefore be to facilitate, to the extent possible, the moves of families who wish to move, while continuing to provide assistance to those who wish to remain.

Author

Edward G. Goetz is the Director of the Center for Urban and Regional Affairs and a professor of urban and regional planning in the Humphrey School of Public Affairs at the University of Minnesota.

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