

Race, Segregation, and Choice: Race and Ethnicity in Choice Neighborhoods Initiative Applicant Neighborhoods, 2010–2012

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Abstract

During the past two decades, concern about spatial concentrations of poverty and disadvantage has become an ascendant scholarly and policy issue, and research on the effect of neighborhoods on individual and family life chances has grown substantially. The Choice Neighborhoods Initiative (hereafter, Choice), introduced in 2009, is a new federal program designed to address concentrated poverty. Choice, which is functionally the successor to the Housing Opportunities for People Everywhere, or HOPE VI, Program, provides competitive grants to fund redevelopment and revitalization in neighborhoods that have concentrations of poverty and publicly subsidized housing, with the goal of transforming them into neighborhoods of choice, thereby improving neighborhood outcomes. For the types of neighborhoods being targeted, little information beyond their having high rates of poverty is so far available. Drawing from the results of U.S. Department of Housing and Urban Development-funded research on the characteristics of Choice Planning Grant applicants, this article presents findings related to race and ethnicity in these targeted neighborhoods. The findings show that Choice Planning Grant applicant neighborhoods are highly segregated by race and ethnicity and that this segregation is linked to differences in educational attainment, labor force participation, unemployment rates, and income levels. These demographics suggest that Choice, like its predecessor, is likely to have a disproportionate effect on minority racial and ethnic groups.

Introduction

In 2009, the Obama Administration proposed a new program aimed at revitalizing neighborhoods marked by high poverty and severely distressed housing. Named the Choice Neighborhoods Initiative (hereafter, Choice), this program would act as a successor to the long-running Housing Opportunities for People Everywhere (HOPE VI) Program. Choice is part of the Obama Administration's Neighborhood Revitalization Initiative (NRI), a series of coordinated, place-based neighborhood revitalization programs extending across multiple federal agencies, including the U.S. Department of Housing and Urban Development (HUD), the U.S. Department of Education, and the U.S. Department of Justice. Choice is administered by HUD and addresses the housing and built environment component of the NRI. Although the U.S. Congress has yet to authorize Choice, it has appropriated funds for the program each year since fiscal year (FY) 2010.

Like funding for HOPE VI, Choice funds are distributed through competitive grants. This investment is intended to leverage additional public and private resources and investment to plan for and subsequently reshape these areas into sustainable, mixed-income neighborhoods in which individuals and families will choose to live. Employing an approach used during the first 3 years of HOPE VI, Choice provides two types of grants: Planning Grants and Implementation Grants.¹ Planning Grants provide comparatively modest funds for developing Transformation Plans to guide neighborhood revitalization, and Implementation Grants provide larger sums to facilitate implementation of a Transformation Plan. This article focuses on neighborhoods for which Planning Grant applications have been made. Drawing from a more comprehensive report on the demographic, economic, and housing characteristics of the first three Planning Grant applicant cohorts (FYs 2010, 2011, and 2012), this article highlights one vital characteristic of applicant neighborhoods: their racial and ethnic composition.

Choice, again like HOPE VI, has the core mission to deconcentrate poverty. Exceeding a minimum rate for poverty or extremely low-income households, along with the presence of distressed, subsidized housing, is the key threshold neighborhoods must pass to apply for a Planning Grant. The racial and ethnic composition of these neighborhoods is not an essential consideration in applying for or receiving a grant. Yet recent federal low-income housing policies, whether intended or not, have had significant and disproportionate effects on racial and ethnic minorities (Goetz, 2013; Popkin et al., 2004). Examining the racial and ethnic characteristics of Choice applicant neighborhoods illuminates the potential of Choice to affect low-income minority groups, and, given the results presented in the following sections, recommends caution in creating and implementing revitalization plans.

Choice also offers a fascinating window onto high-poverty urban neighborhoods across the United States. Unlike the characteristics of HOPE VI, the demographics of Choice neighborhoods are not constrained by the groups served by the public housing program. Rather than focusing on individual public housing properties, Choice allows for local groups to identify entire neighborhoods that

¹ This approach has also been used in other recent initiatives, including the U.S. Department of Education Promise Neighborhoods initiative and Sustainable Communities Initiative.

they deem to be in need of revitalization. Thus, Choice applicant neighborhoods represent a sample of high-poverty, distressed neighborhoods in U.S. cities. They offer an opportunity to explore the other characteristics of these neighborhoods and possibly identify similarities and trends.

One clear trend that emerged throughout the broader research from which this article is drawn is that the neighborhoods identified in applications for Choice Planning Grants are highly racially and ethnically segregated. With the exception of a small number of mixed neighborhoods, most neighborhoods have majority minority populations with concentrations far exceeding national averages. Although some neighborhoods have followed national trends of increasing diversity, most neighborhoods with high concentrations of minority groups have had these high concentrations for at least the past 20 years. These neighborhoods of persistent segregation and isolation both reinforce the need for a coherent strategy for addressing residential segregation and potentially complicate the implementation of Choice.

U.S. Housing Policy and Poverty Deconcentration

During the past two decades, federal urban and public housing policy in the United States has been increasingly focused on poverty deconcentration. Considerable scholarly attention has been directed toward understanding the causes, extent, and effects of concentrated poverty and the benefits, challenges, and mechanisms of mixed-income neighborhoods. Federal housing policy and expenditures also have reflected the interest in concentrated poverty and mixed-income neighborhoods, and substantial resources have been dedicated toward combating the former and creating the latter.

Beginning in the late 1980s, researchers began to highlight a significant and growing trend of spatial concentrations of high-poverty households in cities (for example, Danziger and Gottschalk, 1992; Jargowsky, 1997; Jargowsky and Bane, 1991; Wilson, 1987). Concentrated poverty was highly correlated with concentrations of minority populations, and some scholars argued that concentrated poverty was a direct result of racial segregation (Massey and Denton, 1993). When translated from scholarship into policy, however, the explicit focus was on poverty rather than race. A number of reasons contribute to this focal point, including that concentrated poverty was growing while racial segregation had peaked in the 1960s (Logan, 2013; Logan and Stults, 2011) and that poverty provided a more acceptable basis for federal policy than race (Goering and Feins, 2003; Goetz, 2010). New programs that were introduced aimed at deconcentrating poverty by dispersing public housing residents to lower poverty neighborhoods or by redeveloping public housing complexes into mixed-income neighborhoods that would combine dispersal with a dilution of concentrated poverty through an influx of high-income households. The former is exemplified by the Moving to Opportunity for Fair Housing (MTO) demonstration program (hereafter, the MTO program) and the increased use of vouchers through the Housing Choice Voucher Program, and the latter is exemplified by HOPE VI.

The MTO program, begun in 1994, was intended to identify the benefits for low-income families from moving from high- to low-poverty neighborhoods by selecting a random sample of willing public housing families to receive rent vouchers that could be used only in neighborhoods that had poverty rates of less than 10 percent. Residents were tracked to assess the potential benefits of these moves. HOPE VI, which started in 1992 as the Urban Revitalization Demonstration program, employed a different but largely complementary approach to deconcentrating poverty. In concept,

HOPE VI facilitated poverty deconcentration by dispersing low-income households displaced by demolition and by attracting higher income residents into new mixed-income neighborhoods via redevelopment.

Although public housing and neighborhood revitalization policies during the past 20 years have been conceived of as tools of poverty deconcentration, they have not been race or ethnicity neutral. Racial and ethnic segregation and separation by income levels are inextricably linked (Jargowsky, 1997; Massey and Denton, 1993), and programs to deconcentrate poverty have had racially and ethnically uneven effects. The demographics of public housing made some effect on minority households inevitable, although Goetz (2011) has shown that the effect was disproportionately large, even given the demographics. He found that demolition and displacement used in HOPE VI disparately affected Black households, forcing more to move out of their existing neighborhoods. The overall effect of this is ambiguous because some families moved to better neighborhoods and did well, while others experienced the opposite. Scholarship tracking resident relocation found that relocation often did little to change residential segregation and also found uneven outcomes for relocating families (Buron et al., 2002; Holin et al., 2003). Race and ethnicity were identified as a potential barrier for public housing residents to relocate to predominantly White neighborhoods through direct housing discrimination or limitations this discrimination placed on the housing search (Popkin and Cunningham, 2002). Racial deconcentration was accomplished through the introduction of higher income individuals into a neighborhood during the creation of mixed-income communities has produced more ambiguous effects on racial segregation with some neighborhoods that remain racially homogenous despite an influx of wealthier households (for example, Patillo, 2007), and these racially homogenous, mixed-income neighborhoods may struggle to attract the level of private investment necessary for sustained success (Turner, Popkin, and Rawlings, 2008).

Choice Neighborhoods Initiative

The Choice Neighborhoods Initiative was conceived as both a replacement for and an evolution of HOPE VI. Like its predecessor, Choice is a competitive grant program that has as a core focus the elimination of concentrations of poverty and creation of mixed-income communities through locally derived and implemented plans. The ultimate goal is to create neighborhoods where families of all incomes will choose to live (Pendall et al., 2013).²

Choice is not simply an extension of HOPE VI, however, but is intended to build from the successes and lessons learned from that program. As a result, Choice has several key differences from its predecessor. First, Choice expands redevelopment and revitalization activities beyond the footprint of a single public housing property. This change came from a growing recognition that deterioration and abandonment do not terminate at property lines. Although a small number of studies have shown positive spillover effects from HOPE VI redevelopment projects and many HOPE VI projects were conceived as catalysts for neighborhood revitalization, transformation of surrounding

² Choice Neighborhoods Initiative—Planning Grants. Notice of Funding Availability, FY 2010. U.S. Department of Housing and Urban Development. http://portal.hud.gov/hudportal/documents/huddoc?id=DOC_9823.pdf.

neighborhoods is necessary for sustained success (Turbov and Piper, 2005; Zielenbach and Voith, 2010). Choice requires program applicants to self-define neighborhoods that will be the target for revitalization through the program. These neighborhoods must encompass more than a subsidized housing property.

Second, Choice expands the range of groups that can apply for the grants beyond public housing authorities. To draw in other capable local actors and to encourage coalition and capacity building, the pool of eligible applicants under Choice has been expanded to include actors such as cities and nonprofit organizations.

Third, the pool of eligible properties expands from only public housing properties to include other severely distressed, HUD-assisted housing. This property pool refers to publicly or privately owned properties subsidized through programs that include Section 8, Section 221(d)(3), and Section 236. Many of these properties are facing similar levels of distress as are the public housing properties that were the focus of HOPE VI. The effect of this change is a substantial increase in the number and range of properties that could be targeted and the number and range of neighborhoods that are eligible for the program. Low-Income Housing Tax Credit, or LIHTC, properties, because they are funded through a program administered by the Internal Revenue Service rather than a HUD program, are not eligible for Choice grants.

Although legislation authorizing the Choice Neighborhoods Initiative has been proposed in the Congress, the legislature has yet to pass the law that would fully authorize and fund the initiative. Instead, Choice was allowed to function as a \$65 million demonstration through the U.S. Department of Housing and Urban Development Appropriations Act, 2010. Choice has continued using yearly congressional appropriations for HUD. Each year, HUD distributes funds through a competitive grant process guided by a notice of funding availability (NOFA).

As explained previously, Choice funds are distributed as two different grants—the Planning Grant and the Implementation Grant. Planning Grants, which are comparatively small amounts of money (up to \$500,000), fund the creation of local Transformation Plans for locally identified neighborhoods that have high poverty rates and severely distressed subsidized housing. These Transformation Plans outline strategies that will be used to revitalize the target neighborhood in accordance with the goals of Choice and local priorities.

Implementation Grants are available to neighborhoods that meet the minimum criteria for Choice and that have an acceptable Transformation Plan in place. These Transformation Plans need not have been completed as part of a Planning Grant. Implementation Grants provide partial funding that can be used to leverage other public and private funding for activities to revitalize the target neighborhood. Successfully securing a Planning Grant does not automatically qualify an applicant or neighborhood for an Implementation Grant.

To apply for either a Planning or an Implementation Grant, applicants must identify an eligible neighborhood. Neighborhoods are eligible if (1) a minimum of 20 percent of neighborhood residents are either below the poverty line or have extremely low incomes, (2) an eligible severely distressed public or HUD-subsidized property lies within the neighborhood, and (3) the neighborhood

demonstrates one additional indicator of distress (that is, [a] violent crime rates during the past 3 years of at least 1.5 times the city rate, [b] long-term vacancy rates of at least 1.5 times the city rate, or [c] a low-performing school).³

Applicants are awarded points for (1) capacity of the applicant and relevant organizational staff, (2) need/extent of the problem, (3) soundness of approach, (4) leveraging resources, and (5) achieving results and program evaluation. Neighborhoods with higher levels of distress are awarded more points through the applicant rating process. Although the threshold criteria have remained consistent throughout each round of funding, the weight given to specific indicators of distress has changed. Regarding the need and extent of the problem, the weights for poverty or extremely low income levels and vacancy rates have stayed the same, but the weight given to high crime rates has increased and points awarded for low-performing schools have been removed entirely.^{4, 5, 6}

Not included as a criterion for either applying for or receiving a Choice Planning Grant is racial or ethnic concentration. This exclusion is not the result of a lack of recognition of the problem of racial segregation or discrimination or of the possibility that neighborhoods applying for grants may have concentrated minority populations. These topics, as they apply to Choice, are addressed in several locations. The SuperNOFA, which are general guidelines that apply to all HUD grant programs, includes affirmatively furthering fair housing (AFFH) as one of the policy priorities. AFFH, or taking “steps proactively to overcome historic patterns of segregation, promote fair housing choice, and foster inclusive communities for all,”⁷ is a standard to which HUD has been committed to upholding; new rules proposed in 2013 strengthen that commitment. As described in the SuperNOFA, however, racial segregation and concentrated poverty can be addressed separately.⁸ In addition, a wide range of potential proactive steps may be required of applicants. As translated from the Choice Planning Grant NOFA, applicants are required to affirmatively further fair housing through the marketing and outreach efforts to be used in each of the neighborhoods to attract residents.⁹

Choice is structured to promote fair housing primarily by addressing concentrated poverty rather than race. The likelihood that applicant neighborhoods will have concentrated minority populations is acknowledged in a statement added to the Planning Grant NOFAs beginning in 2012, however, which recognizes that many applicant neighborhoods may have high minority

³ Choice Neighborhoods Initiative—Planning Grants. Notice of Funding Availability, FY 2010. U.S. Department of Housing and Urban Development. http://portal.hud.gov/hudportal/documents/huddoc?id=DOC_9823.pdf.

⁴ Choice Neighborhoods Initiative—Planning Grants. Notice of Funding Availability, FY 2010. U.S. Department of Housing and Urban Development. http://portal.hud.gov/hudportal/documents/huddoc?id=DOC_9823.pdf.

⁵ Choice Neighborhoods Initiative—Planning Grants. Notice of Funding Availability, FY 2011. U.S. Department of Housing and Urban Development. http://portal.hud.gov/hudportal/documents/huddoc?id=cn_planning_nofa.pdf.

⁶ Choice Neighborhoods Initiative—Planning Grants. Notice of Funding Availability, FY 2012. U.S. Department of Housing and Urban Development. <http://portal.hud.gov/hudportal/documents/huddoc?id=fy12cn-planninggrants.pdf>.

⁷ “Affirmatively Furthering Fair Housing.” Published in the *Federal Register* as a final rule on July 19, 2013. 78 Fed. Reg. 43710.

⁸ Policy Requirements and General Section to HUD’s FY 2013 NOFAs for Discretionary Programs. U.S. Department of Housing and Urban Development. <http://portal.hud.gov/hudportal/documents/huddoc?id=2013nofagensec.pdf>.

⁹ Choice Neighborhoods Initiative—Planning Grants. Notice of Funding Availability, FY 2010. U.S. Department of Housing and Urban Development. http://portal.hud.gov/hudportal/documents/huddoc?id=DOC_9823.pdf.

concentrations but that these neighborhoods are still eligible for the program because the intent is to make them neighborhoods of choice, presumably attracting a diverse, high-income population.¹⁰ This statement was added to resolve any potential confusion caused by two other statements contained in the NOFAs regarding race. The first is a general statement regarding HUD's strategic plan to increase the percentage of assisted families in low-poverty, low-minority concentration neighborhoods. Consistent with this plan, a second statement indicates that replacement housing outside the Choice neighborhood must not be in areas of concentrated minority population, defined as more than 20 percent higher than the total percentage of the metropolitan statistical area (MSA) or more than 50 percent total¹¹ or of concentrated poverty, defined as more than 40 percent of residents living below the poverty line. If either of these two statements applied to the applicant neighborhoods, most residents would not be eligible to receive funds.

Implementation Grant NOFAs contain considerably more specific language regarding concentrated minority populations, including awarding points for applicants that recognize and address these concentrations in their Transformation Plans. These plans must not only fully describe conditions of segregation in targeted neighborhoods, but also include specific steps to “avoid or reduce concentrations of minority populations.”¹²

None of the previously mentioned publications provides specific guidance for Planning Grant applicants regarding how they should consider or address concentrated minority populations within neighborhood boundaries. This lack of guidance is problematic. Although the demographics of poor, urban neighborhoods suggest that Choice will affect more minority households than White households, the extent is not as clear. Unlike the physical boundaries of HOPE VI, the boundaries of the urban areas affected by Choice are not set. It is possible that with larger neighborhoods and broader project eligibility, the demographics of Choice neighborhoods may, over time, be different from those of HOPE VI. Yet many of the underlying fundamentals are the same. Like its predecessor program, Choice is conceived as a tool to deconcentrate poverty, but its effects will not be race neutral. This fact needs to be explicitly recognized and addressed.

Methodology

Applicants for Choice select their own neighborhood boundaries using an online mapping tool, which then returns information about the proposed neighborhood, including the number of housing units, the poverty rate, and the rate of extremely low-income households. For this research, the neighborhood boundaries identified by Planning Grant applicants for the first 3 years of Choice were provided by HUD in the form of grid coordinates and Geographic Information System, or GIS, shapefiles. All Choice Planning Grant applicants and recipients for the first 3 years of the program were represented in the dataset. No sampling was involved; the dataset represents a 100-percent sample.

¹⁰ Choice Neighborhoods Initiative—Planning Grants. Notice of Funding Availability, FY 2012. U.S. Department of Housing and Urban Development. <http://portal.hud.gov/hudportal/documents/huddoc?id=fy12cn-planninggrants.pdf>.

¹¹ This latter threshold was removed in the second Choice NOFA.

¹² Choice Neighborhoods Initiative—Implementation Grants. Notice of Funding Availability, FY 2012. U.S. Department of Housing and Urban Development. <http://portal.hud.gov/hudportal/documents/huddoc?id=fy12-implem-nofa.pdf>.

The neighborhood boundaries were merged with data from the 1990, 2000, and 2010 U.S. decennial censuses and 2006–2010 American Community Survey (ACS) 5-year estimates. Data from 1990 and 2000 were derived from Summary File 1 (SF1) and Summary File 3 (SF3). Data from 2010 include SF1 and ACS data.¹³ Demographic data used in this research were at the smallest possible geographic unit for which data were available, the census tract or block group. Output tables were created for applicant neighborhoods, adjacent areas within 0.5 mile of the applicant neighborhoods, their adjacent areas, their cities, and their MSAs.

Many neighborhood boundaries did not directly align with census tract or block group boundaries. This overlap created the possibility that the output tables would either overestimate or underestimate. Where boundaries did not directly align, block groups were used when data were available at that level. Where neighborhood boundaries cut across block groups or where the data were not available at the block group level, the output tables included estimates of the part of the block group or census tract within the neighborhood. These estimates were calculated using the proportion of land area within the neighborhood. For example, if data were available only at the census tract level and 30 percent of that tract's land area was within a neighborhood, 30 percent of that census tract's data would be allocated to the neighborhood. This method for estimating still leaves the possibility of overestimation or underestimation if, for instance, the portion of the census tract within the neighborhood has a higher density than the portion without. Therefore, as a final step, outputs were cross-checked against data provided by HUD and against information obtained from a sample of applicants (via applicants' project summaries) to ensure that estimates in the output tables were accurate. The maximum variance between output table values and HUD or applicant-provided values was 2 percent, with 91 percent of cases having a variance of less than 1 percent.

The output tables were then used to produce descriptive statistics for the applicant neighborhoods, their adjacent areas, their cities, and their MSAs. Where relevant, comparisons with overall U.S. statistics were considered. Applicant neighborhoods were also categorized based on criteria that included year, region, and success for additional analysis. The full results are contained in a report published by HUD (Gebhardt 2014). Key results related to neighborhood race and ethnicity are reported in the following section.

Information on race and ethnicity is reported in six categories: (1) American Indian, (2) Asian and Pacific Islander, (3) Black, (4) Hispanic, (5) Other, and (6) White. These terms are used in place of non-Hispanic American Indian, non-Hispanic Asian and Pacific Islander, non-Hispanic Black, and non-Hispanic White. Hispanic is used for individuals of any race identifying as Hispanic.

¹³ The data in SF1 are drawn from the short-form questionnaire, which contained questions that were asked of every person in every housing unit. SF1 is a 100-percent sample that contains information on general population and housing characteristics such as age, gender, race, and tenure and vacancy status. SF3 contains data from the long-form questionnaire, which was administered to one out of every six households. The sample data in SF3 include more detailed population and housing characteristics, including education, income and employment, and age of housing. Beginning in 2003, the long-form questionnaire was replaced with the ACS, which is an ongoing monthly sampling of the U.S. population. ACS data are presented in 1-, 3-, and 5-year estimates. Only 5-year estimates are available at the census tract and block group level. The 5-year estimates are an average of the monthly data collected during a 5-year period and represent a survey of approximately one out of every eight households.

Choice Planning Grant Applicant Neighborhoods

During the first 3 years of Choice, 176 completed applications were submitted to HUD for Planning Grants: 76 in 2010 and 50 each in 2011 and 2012. HUD awarded 19 grants in 2010, 13 in 2011, and 17 in 2012. Applicants were not evenly distributed across the United States. Most applications (73 percent) were for neighborhoods in municipalities east of the Mississippi River. Most successful applications (84 percent) also were for neighborhoods in the eastern one-third of the United States. This distribution is similar to the distribution of HOPE VI applicants (79 percent from east of the Mississippi) and recipients (78 percent from east of the Mississippi). Applicant neighborhoods varied considerably in physical size, total population, and number of housing units, from as small as 0.02 square miles housing as few as 27 people in 4 housing units to as large as 22.22 square miles housing as many as 60,131 people in 22,017 housing units.

Of the applicant neighborhoods, 66 percent have lost population since 1990. On average, declining neighborhoods saw a 22-percent decrease in population. The population in growing neighborhoods increased an average of 37 percent. Neighborhoods receiving grants were more likely to be declining (71 percent declining) than neighborhoods not receiving grants (64 percent declining). Although the population change in some neighborhoods can be explained by a significant change in the housing stock (for example, the demolition of all or a portion of a public housing complex), overall the range of growth and decline is a reflection of different market conditions.¹⁴ An interim report on the first set of Implementation Grant recipients also showed a range of market conditions. Different markets necessitated different redevelopment strategies, with plans for stronger market neighborhoods focused on increasing densities and infill development to respond to demand and plans for weaker market neighborhoods focused on improving services and amenities to generate demand (Pendall and Hendey, 2013; Pendall et al., 2013). These different approaches are potentially complicated by race, with strong market strategies increasing the possibility of gentrification and disproportionate displacement of racial minorities and weak market strategies facing the challenge of overcoming racial biases in addition to disinvestment and poor public services.

Neighborhood Race and Ethnicity

Taken as a whole, the neighborhoods identified by applicants during the first 3 years of Choice contain a racially and ethnically diverse population. The largest percentage of the population is Black (48 percent), but with substantial percentages of White (23 percent) and Hispanic (22 percent). The remainder of the overall population of applicant neighborhoods is Asian and Pacific Islander (4 percent), American Indian (2 percent), and other (2 percent). The overrepresentation of the Black population in Choice applicant neighborhoods relative to the national population is consistent with the historic concentration of Black residents in subsidized housing (see Goetz, 2013: 112–114). Any project that targets subsidized housing will necessarily have a higher effect on the Black population.

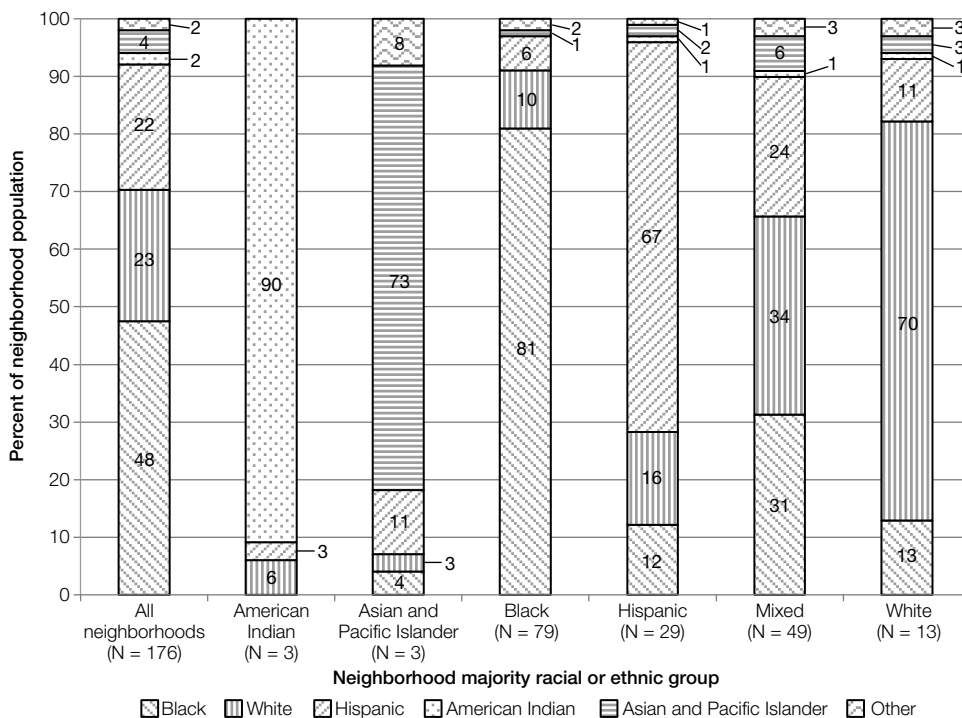
¹⁴ Changes in neighborhood population are correlated with differences in citywide economic conditions. For example, for declining neighborhoods citywide, median household incomes fell by an average of 6.3 percent between 1990 and 2010 but, for growing neighborhoods citywide, they increased by an average of 3.1 percent. Median household incomes in both declining and growing neighborhoods increased 1 percent during this same period.

Categorizing the proposed neighborhoods based on which racial or ethnic group represented a majority of the neighborhood’s population reveals that, while the aggregate population for all neighborhoods is of mixed races and ethnicities, most neighborhoods are anything but mixed. Of the 176 neighborhoods, 13 (7 percent) have majority White populations and 163 (93 percent) have predominantly minority populations. A portion of the predominantly minority neighborhoods (49 neighborhoods, 30 percent of predominantly minority neighborhoods) have a mix of racial and ethnic groups with no single group constituting the majority of the population in that neighborhood. The exact mix within these neighborhoods varies, with some having as much as 49 percent of the population being Black, White, or Hispanic. In the rest of the predominantly minority neighborhoods (114 neighborhoods, 65 percent), a single racial or ethnic group comprises most of the neighborhood’s population. Within this subset, 79 applicant neighborhoods (69 percent) are majority Black, 29 neighborhoods (25 percent) are majority Hispanic, and 3 neighborhoods (2.6 percent) each are majority Asian and Pacific Islander and American Indian. Exhibit 1 shows the average percentage of race or ethnicity in applicant neighborhoods overall, categorized by majority racial or ethnic group.

When the Choice applicant neighborhoods are grouped based on the neighborhood’s majority racial or ethnic population, quite a different picture emerges than that of the aggregate. Although the mixed neighborhoods are relatively diverse, most neighborhoods have high concentrations of

Exhibit 1

Choice Applicant Neighborhood, by Race and Ethnicity



Sources: Applicant files; 2010 census

a single racial or ethnic group. Residents of these neighborhoods that hold the majority racial or ethnic group are highly isolated and have very low exposure to individuals of other racial or ethnic backgrounds.

The highest concentrations of isolated racial or ethnic groups are found in American Indian neighborhoods, where 90 percent of the population on average is American Indian. This statistic is based on a small sample size (3) of neighborhoods that have small, rural populations associated with American Indian reservations. Majority Black neighborhoods are also very highly concentrated. In these neighborhoods, on average, 81 percent of the population is Black. In one-third (27) of majority Black neighborhoods, 90 percent or more of the population is Black. In more than two-thirds (55), 80 percent or more of the population is Black. Other racial and ethnic groups are slightly less concentrated. Asian and Pacific Islander populations comprise 73 percent of the population in majority Asian and Pacific Islander neighborhoods. As with majority American Indian neighborhoods, the sample size is small (3). In majority Hispanic neighborhoods, on average, 67 percent of the population is Hispanic. Four (13 percent) of these neighborhoods are more than 80 percent Hispanic. In majority White neighborhoods, on average, 76 percent of the population is White. One-half of these neighborhoods (6) are more than 80 percent White.

With the exception of the mixed neighborhoods, racial or ethnic minorities living in Choice applicant neighborhoods are considerably more isolated than individuals of the same racial or ethnic group living in an average U.S. neighborhood. Logan and Stults's (2011) review of 2010 U.S. census data showed that the average Black individual lives in a neighborhood that is 45 percent Black, the average Hispanic individual lives in a neighborhood that is 46 percent Hispanic, and the average Asian individual lives in a neighborhood that is only 22 percent Asian. These numbers stand in stark contrast to those described previously. Only majority White applicant neighborhoods are more diverse than their national counterparts, which are 75 percent White on average.

Over time, the population composition of applicant neighborhoods has changed, altering the racial and ethnic makeup of some applicant neighborhoods. Exhibit 2 depicts the change in neighborhood composition over time. The number of majority Black and majority White neighborhoods has declined during this period, but the number of majority Hispanic and mixed neighborhoods has increased. These numbers mask some underlying shifts as the growth of majority Hispanic neighborhoods was the result of transitions from mixed to Hispanic, with the growth in mixed neighborhoods coming from the transition from majority White or majority Black neighborhoods

Exhibit 2

Choice Applicant Neighborhood Racial or Ethnic Majority, 1990–2010

Neighborhood Racial or Ethnic Majority	Number of Neighborhoods		
	1990	2000	2010
American Indian	3	3	3
Asian and Pacific Islander	2	3	3
Black	96	91	79
Hispanic	13	19	29
Mixed	37	44	49
White	25	16	13

Sources: Applicant files; 1990 census; 2000 census; 2010 census

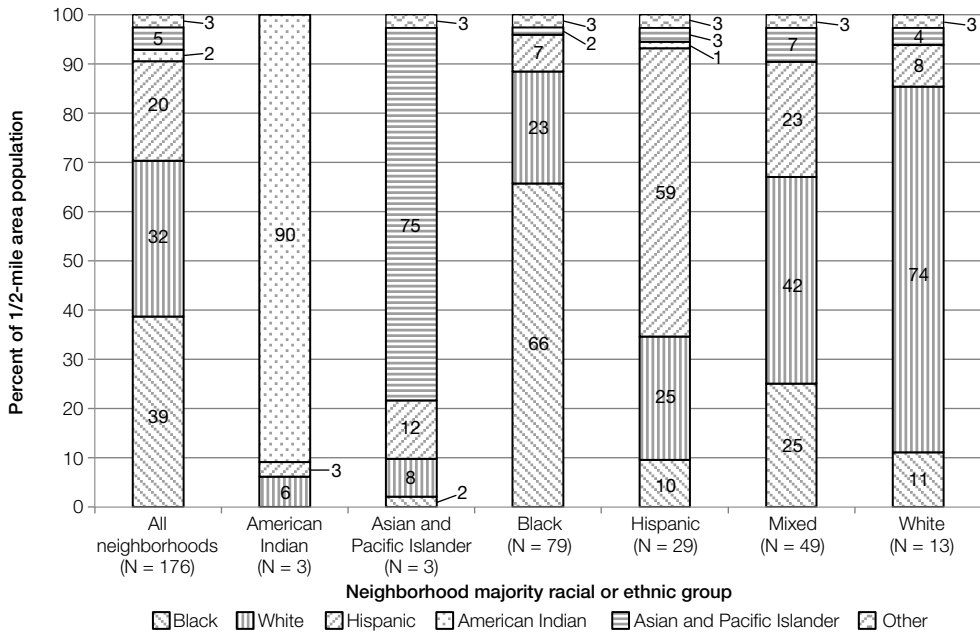
becoming mixed. The changes in neighborhood composition demonstrate trends that are similar to the national trends described by Logan (2013) and Logan and Stults (2011). Hispanic and Asian and Pacific Islander neighborhoods are becoming more concentrated while Black, White, and mixed neighborhoods are becoming less concentrated. Despite some changes, however, most applicant neighborhoods have had one consistent majority racial or ethnic population for at least the past 20 years.

For many of the Choice Planning Grant applicant neighborhoods, this isolation extends beyond their immediate borders. In addition to being internally homogenous, a substantial majority of neighborhoods are also highly isolated in terms of their proximity to other areas with greater racial or ethnic diversity. A comparison of the racial and ethnic constitution of targeted neighborhoods with that of census tracts within 0.5 mile of the neighborhoods shows that nearly three-fourths (74 percent) of the neighborhoods are surrounded by census tracts with the same racial or ethnic majority, including every American Indian and Asian and Pacific Islander majority neighborhood. Majority Black neighborhoods are surrounded by majority Black census tracts in 78 percent (62 neighborhoods) of the applicant neighborhoods. Of majority Black neighborhoods, 20 percent (16 neighborhoods) are adjacent to mixed census tracts and only 1 neighborhood is adjacent to majority White census tracts. Two-thirds (66 percent, 19 neighborhoods) of majority Hispanic neighborhoods are surrounded by majority Hispanic census tracts; 24 percent (7 neighborhoods) are adjacent to mixed census tracts and 2 neighborhoods are adjacent to majority White census tracts. Mixed neighborhoods are adjacent to other mixed census tracts in 63 percent of applicant neighborhoods and adjacent to majority White census tracts in 33 percent of applicant neighborhoods. Two mixed neighborhoods are adjacent to majority Hispanic census tracts. All majority White neighborhoods, except 1, were adjacent to majority White census tracts. The single exception was adjacent to mixed census tracts.

Not only were the targeted neighborhoods largely adjacent to other, similar census tracts, but also those adjacent census tracts were also isolated. The average composition of adjacent census tracts for each neighborhood type is shown in exhibit 3. As this bar chart shows, the census tracts within 0.5 mile of the applicant neighborhoods have, on average, populations very similar to the applicant neighborhoods. Overall, the applicant neighborhoods had a higher percentage White population and a lower percentage Black and Hispanic population. For two types of neighborhoods, Asian and Pacific Islander and White, the respective majority populations are more concentrated in adjacent census tracts than in the applicant neighborhoods. Tracts adjacent to Black, Hispanic, and mixed neighborhoods all have higher White populations than the applicant neighborhoods. In every neighborhood type, however, except majority White and mixed, the average percentage of the majority population exceeds Logan and Stults's (2011) nationwide averages. The average resident in census tracts within 0.5 mile of Choice applicant neighborhoods are more isolated than the average individual nationally.

Exhibit 3

Choice Applicant Neighborhood 1/2-Mile Area, by Race and Ethnicity



Sources: Applicant files; 2010 census

Race and Ethnicity and Neighborhood Economic and Housing Characteristics

The racial and ethnic differences between the neighborhoods are also correlated with differences in educational attainment, household income level, unemployment rate, and poverty rate.¹⁵ These differences can be partially attributed to differences between different racial and ethnic groups in general. In other words, much of the difference in economic characteristics between majority Black and majority White neighborhoods can be explained by the lower educational attainment, by labor force participation rate, and by median income levels and higher poverty and unemployment rates of Black individuals compared with White individuals nationwide. Not all neighborhood differences, however, can be explained by these differences. In particular, non-Black individuals and households in majority Black neighborhoods fare worse across all of the characteristics included here than their counterparts in other Choice applicant neighborhoods and than the national average for these groups.

¹⁵ In reviewing these tables, readers should be aware that they contain some uncertainty. As noted previously, data drawn from SF3 are based on a sample of one out of six households; they are not exact figures. Likewise, ACS 5-year estimates are based on a sample of approximately one out of eight households collected during a 5-year period and averaged. The result is that both sets of data contain a margin of error. In addition, income levels and poverty rates are not always reported or are not reported accurately by respondents.

Geographic differences also contribute to the differences between neighborhood types, especially for those with small sample sizes. The three Asian and Pacific Islander neighborhoods are all in two cities (Honolulu, Hawaii, and San Francisco, California) with comparatively high wages, but American Indian neighborhoods are all located in small towns in rural locations with comparatively low wages. Majority Black, Hispanic, and mixed neighborhoods are all distributed across a range of cities. Summaries of four economic indicators for Choice applicant neighborhoods by majority race or ethnicity are presented in the following section. City values have been included for reference.

Educational Attainment

Exhibit 4 shows educational attainment for individuals more than 25 years of age by neighborhood racial or ethnic majority. Nearly one-third of the population in the average applicant neighborhood lacks a high school diploma or equivalent. Nationwide, in 2010, approximately 15 percent of the population lacked a high school diploma or equivalent.

Black, Hispanic, and American Indian neighborhoods have the lowest educational attainments while White, mixed, and Asian and Pacific Islander neighborhoods have the highest. The highest overall educational attainment is in White neighborhoods, with 24 percent of the population having a college degree or higher. The lowest overall educational attainment is in Hispanic neighborhoods, where an average of 42 percent of the population has less than a high school diploma.

Exhibit 4

Choice Applicant Neighborhood Educational Attainment, by Racial or Ethnic Majority

Neighborhood Racial or Ethnic Majority	Educational Attainment (%)				
	< High School	High School or Equivalent	Some College	Bachelor's Degree	Graduate Degree
All neighborhoods	31	32	24	9	4
American Indian	31	38	25	6	1
Asian and Pacific Islander	29	36	22	11	2
Black	31	35	24	7	3
Hispanic	42	28	20	6	3
Mixed	27	30	25	12	6
White	21	31	24	15	9

Sources: Applicant files; American Community Survey 2006–2010 5-year estimates

Median Household Income

Exhibit 5 depicts median household incomes in constant dollars by neighborhood racial or ethnic majority between 1990 and 2006–2010. The median household income in the average applicant neighborhood is \$31,880. This income level is less than the national median household income for 2010, which was \$50,046. Median household incomes in applicant neighborhoods remained largely unchanged between 1990 and 2006–2010.

Black neighborhoods have the lowest median household income (\$25,534). This is lower than all other neighborhoods, including American Indian neighborhoods (by more than \$3,000), which have the next lowest median incomes. Median household incomes in Black neighborhoods are nearly one-half of the nationwide median household income and no majority Black neighborhood has a median household income greater than the national median household income.

Exhibit 5

Choice Applicant Neighborhood Median Household Incomes, by Racial or Ethnic Majority, 1990 to 2006–2010

Neighborhood Racial or Ethnic Majority	Median Household Income (\$)			
	1990	2000	2006–2010	2006–2010 (city)
All neighborhoods	32,400	33,695	31,880	42,375
American Indian	22,611	27,387	28,697	29,199
Asian and Pacific Islander	53,823	56,443	55,896	61,069
Black	27,626	28,460	25,534	38,064
Hispanic	37,047	36,170	32,964	46,643
Mixed	36,831	39,274	37,285	45,920
White	34,207	38,958	42,844	44,416

Sources: Applicant files; 1990 census; 2000 census; American Community Survey 2006–2010 5-year estimates

Median household incomes in majority Hispanic neighborhoods show a clear downward trajectory. This decline is due, in part, to many of these neighborhoods being mixed rather than Hispanic during earlier decades. These neighborhoods have become predominantly Hispanic since 1990, and the Hispanic population that has moved into these neighborhoods has had lower median incomes than the previous residents.

Majority White neighborhoods show a clear upward trajectory and have the second highest median household income (\$42,844). Median household incomes in Asian and Pacific Islander neighborhoods are the highest and also demonstrate an upward trajectory. This income measurement is likely skewed by the small sample size (3), however, and the locations of these three neighborhoods in cities with a high cost of living and higher wages as the higher city median household incomes indicate.

Poverty Rate

Although a high poverty rate is a qualification for applying for a Choice Planning Grant, the average poverty rates in applicant neighborhoods are striking, as can be seen in exhibit 6. The average across all neighborhoods for 2006–2010 is 41.4 percent. This poverty rate is nearly four times the national average of 11.3 percent for that period and nearly double the poverty rates of cities with

Exhibit 6

Choice Applicant Neighborhood Poverty Rates, by Racial or Ethnic Majority, 1990 to 2006–2010

Neighborhood Racial or Ethnic Majority	Poverty Rate (%)			
	1990	2000	2006–2010	2006–2010 (city)
All neighborhoods	38	37	41	22
American Indian	51	43	40	28
Asian and Pacific Islander	23	26	27	24
Black	43	41	45	23
Hispanic	34	37	42	24
Mixed	34	33	39	20
White	26	26	29	21

Sources: Applicant files; 1990 census; 2000 census; American Community Survey 2006–2010 5-year estimates

Choice applicants. In more than one-fourth of all applicant neighborhoods, more than one-half of all families live below the poverty line. Also striking is that the average poverty rate has been extremely durable. Applicant neighborhoods have consistently had very high poverty rates during multiple decades.

The clear differences between these neighborhoods depend on which majority racial or ethnic group lives in the neighborhood. The poverty rates are, unsurprisingly, mirror images of median household incomes. Black neighborhoods had the highest average poverty rate, at 45.2 percent, which is four times the national average. Nearly 40 percent of all Black neighborhoods had more than one-half of all families living below the poverty line, and one neighborhood in Cleveland, Ohio, had a poverty rate of 74 percent. Hispanic neighborhoods also had a very high poverty rate overall, at 42.1 percent. Three Hispanic neighborhoods had poverty rates of more than 70 percent. Poverty rates in Hispanic neighborhoods have steadily increased since 1990. Like median household incomes, this increase is a result of the change from mixed to predominantly Hispanic neighborhoods. White and Asian and Pacific Islander neighborhoods had the lowest poverty rates overall. These rates are still more than twice the national average, however. American Indian neighborhoods are the only neighborhoods for which poverty rates declined between 2000 and 2006–2010, although they remain at slightly more than 40 percent.

Labor Force Participation Rate

Closely linked with poverty rates are labor force participation rates and unemployment rates (see the following section). Labor force participation rates for applicant neighborhoods are shown in exhibit 7. Overall, applicant neighborhoods had a labor force participation rate of 56 percent in 2006–2010, which is much less than the national rate of 65 percent for this period. Labor force participation has increased slightly on average across Choice applicant neighborhoods between 1990 and 2006–2010 and in most neighborhood types. Choice applicant neighborhoods’ labor force participation rates lag behind citywide rates on average; rates in applicant neighborhoods exceeded citywide rates in only about 9 percent of applicant neighborhoods.

Labor force participation rates are lower than citywide rates across most neighborhood types. The two exceptions are White neighborhoods, which have rates matching citywide rates, and American Indian neighborhoods, which have rates exceeding citywide rates. Cities housing American Indian

Exhibit 7

Choice Applicant Neighborhood Labor Force Participation Rates, by Racial or Ethnic Majority, 1990 to 2006–2010

Neighborhood Racial or Ethnic Majority	Labor Force Participation Rate (%)			
	1990	2000	2006–2010	2006–2010 (city)
All neighborhoods	54	54	56	63
American Indian	52	56	57	51
Asian and Pacific Islander	62	57	58	66
Black	52	51	52	63
Hispanic	55	53	60	64
Mixed	56	57	59	65
White	57	59	62	62

Sources: Applicant files; 1990 census; 2000 census; American Community Survey 2006–2010 5-year estimates

neighborhoods have very low labor force participation rates compared with the national average or with other applicant cities. Black neighborhoods have labor force participation rates that are farthest behind citywide rates, a full 11 percent less. More than 40 percent of all Black neighborhoods have labor force participation rates that are 10 percent or more less than citywide rates, including 13 neighborhoods that are more than 20 percent less.

Labor force participation rates across most neighborhood types have been increasing over time. The largest increases have been in American Indian, Hispanic, and White neighborhoods. Hispanic neighborhoods, in particular, have seen substantial increases between 2000 and 2006–2010, including eight neighborhoods that had increases of more than 20 percent. These data are for the same period during which Hispanic populations in these neighborhoods increased substantially; this new population had higher labor force participation rates than the population that it replaced. Asian and Pacific Islander neighborhoods have seen decreases in labor force participation. Some of this decline may be attributable to aging populations in these neighborhoods.

Black neighborhoods have had stagnant levels of labor force participation during the past two decades overall. This statistic masks that 57 percent of Black neighborhoods have experienced declining participation rates during this period, including seven neighborhoods with declines of more than 20 percent. Nearly 40 percent of predominantly Black neighborhoods have labor force participation rates of less than 50 percent. In one Baltimore, Maryland neighborhood, less than one-fourth (23 percent) of the population older than 16 years of age was participating in the labor force and another two neighborhoods had labor force participation rates of less than one-third (29 percent and 30 percent).

Unemployment Rate

Applicant neighborhoods also had high rates of unemployment among those individuals older than 16 years of age participating in the labor force. Unemployment rates for applicant neighborhoods by racial and ethnic majority are shown in exhibit 8. Applicant neighborhoods had an average unemployment rate of 17 percent, nearly double the national unemployment rate of 9.2 percent for this same period. Unemployment has been increasing in applicant neighborhoods since 1990, with much of this increase attributable to an increase in unemployment in Black neighborhoods.

Exhibit 8

Choice Applicant Neighborhood Unemployment Rates, by Racial or Ethnic Majority, 1990 to 2006–2010

Neighborhood Racial or Ethnic Majority	Unemployment Rate (%)			
	1990	2000	2006–2010	2006–2010 (city)
All neighborhoods	15	16	17	11
American Indian	11	18	8	20
Asian and Pacific Islander	7	10	7	5
Black	18	19	21	11
Hispanic	14	16	15	10
Mixed	15	15	14	10
White	11	8	11	8

Sources: Applicant files; 1990 census; 2000 census; American Community Survey 2006–2010 5-year estimates

Both the American Indian (8 percent) and Asian and Pacific Islander (7 percent) neighborhoods have unemployment rates that are less than the national rate in the most recent period. Asian and Pacific Islander neighborhoods have unemployment rates consistent with the cities within which they are located. American Indian neighborhoods have unemployment rates substantially lower than those in their cities, likely due to the efforts of tribal governments to increase employment within these neighborhoods. White neighborhoods (11 percent) had a rate that was slightly more than the national average.

Unemployment rates in Black neighborhoods were the highest, at 21 percent, and eight Black neighborhoods had unemployment rates that were more than 30 percent. Three-fourths of Black neighborhoods experienced increased unemployment between 1990 and 2006–2010. Hispanic and mixed neighborhoods also had high rates of unemployment. Three Hispanic neighborhoods had unemployment rates of more than 30 percent.

Housing Vacancy

Housing vacancy rates in Choice applicant neighborhoods are high, and they increased during the past decade, as shown in exhibit 9. This increase corresponds with the large number of housing foreclosures during this period. Vacancy rates in applicant neighborhoods are higher than in surrounding areas and than in the cities in which they are located.

Housing vacancy rates are highest in Black neighborhoods and have been the highest since at least 1990. Black neighborhoods also experienced the largest increase in vacancy rates during the most recent period. Mixed neighborhoods experienced the second largest increase during this same period.

Exhibit 9

Choice Applicant Neighborhood Housing Vacancy Rates, by Racial or Ethnic Majority, 1990 to 2006–2010

Neighborhood Racial or Ethnic Majority	Housing Vacancy Rate (%)			
	1990	2000	2006–2010	2006–2010 (city)
All neighborhoods	12	12	14	11
American Indian	10	9	8	12
Asian and Pacific Islander	3	6	5	9
Black	14	14	18	13
Hispanic	9	10	11	9
Mixed	11	9	12	11
White	9	11	13	11

Sources: Applicant files; 1990 census; 2000 census; American Community Survey 2006–2010 5-year estimates

Conclusions and Implications

The Choice Neighborhoods Initiative integrates some potentially positive changes to the HOPE VI Program. It opens up a wider range of housing and neighborhoods for revitalization and encourages engagement with more partners to pursue revitalization. It has the potential to have a wider, although perhaps not deeper, effect than HOPE VI. Like the program it replaces, Choice is meant to address concentrated poverty, but the program is likely to have uneven racial effects simply due

to the demographics of high-poverty neighborhoods. Beyond a sizable population that lives below the poverty line and the presence of distressed subsidized housing, however, little was clear about the constitution of the neighborhoods.

As presented in this article, most Choice applicant neighborhoods have majority minority populations and are highly segregated and isolated, and most have been so for at least the past 20 years. Most are also surrounded by neighborhoods that are nearly as segregated. The level of isolation in applicant neighborhoods far exceeds that found in typical neighborhoods, and residents of these applicant neighborhoods have far less exposure to individuals of other races than a typical American of the same race. Applicant neighborhoods also exhibit high levels of characteristics associated with neighborhood distress, including low educational attainment; low median incomes; and high poverty, unemployment, and vacancy rates. The presence of these characteristics is not distributed evenly across all applicant neighborhoods. Rather, they are more pronounced in majority Black and majority Hispanic neighborhoods. Majority Black neighborhoods, in particular, have significantly lower median incomes and significantly higher poverty, unemployment, and vacancy rates.

These results confirm that Choice, like previous poverty deconcentration programs, is likely to have uneven racial and ethnic effects. Depending on location, assets, and market strength, strategies to transform applicant neighborhoods to neighborhoods of choice may involve deconcentration by relocating low-income residents to other parts of the city or MSA and by attracting high-income residents to the transformed neighborhood. Concentration of minority population and opportunities for reducing segregation should be key considerations in either scenario.

In strong market neighborhoods, where the potential for gentrification and neighborhood change is high, applicants must be cognizant of and particularly sensitive to the potential implications and complications that could arise from targeting a racially homogenous area for revitalization and redevelopment activities. Issues of displacement, racial or ethnic turnover, and relocation counseling should be explicitly addressed as part of planning for neighborhood transformation. Measures to protect or expand the supply of affordable housing in these neighborhoods are crucial to ensure that neighborhood residents have the choice to remain. Aggressive, proactive enforcement of fair housing should also be pursued to protect neighborhood residents choosing to relocate with this, ideally, involving a coordinated metropolitanwide effort. In addition, as neighborhoods with higher minority concentrations are correlated with other issues, including low educational attainment and low labor force participation, these underlying disparities must be directly addressed through activities, such as coordination with other programs such as the Promise Neighborhoods initiative, or through partnerships with local service providers.

In weak markets (as well as in some strong markets), the high degree of racial and ethnic homogeneity adds a complicating factor to attempts to create more diverse, mixed, and integrated communities. Racial and ethnic differences, unlike class differences, are nearly always visible. These visible differences may complicate efforts to attract higher income households with different backgrounds. As various studies have shown, neighborhoods with high minority populations, in particular high Black populations, are perceived as having higher rates of crime, lower quality schools, and lower property values, even when this is not the case, and that promoting integration of racially or ethnically segregated neighborhoods and of maintaining diversity after integration has been achieved requires sustained effort (Briggs, 2005; Charles, 2005; Clark, 1986; Ellen, 2000; Ellen, Horn, and O'Regan,

2012; Lewis, Emerson, and Klineberg, 2011; Massey and Denton, 1993). Although improving amenities and leveraging anchor institutions may be sufficient to overcome these perceptions in strong market neighborhoods, more aggressive or extensive measures may be necessary in neighborhoods with weak markets.

The data do not clarify why Choice applicants selected the neighborhoods they did and whether targeting segregated neighborhoods was an intentional strategy or the unintended consequence of selecting neighborhoods based on high levels of distress that also happened to be segregated. Regardless of the reason, more specific guidance needs to be provided to Choice Planning Grant applicants regarding concentrated minority populations. Although applicants for Implementation Grants are required throughout the evaluation criteria to document that their Transformation Plans contain steps to understand and address concentrated minority populations, no similar criteria apply to the Planning Grant applicants.

More explicit consideration by Planning Grant applicants of racial and ethnic segregation in applicant neighborhoods should be required. At a minimum, Choice Planning Grant applicants should be required to demonstrate that the planning process they intend to undertake meets the affirmatively furthering fair housing, or AFFH, mandate, which explicitly identifies racial segregation as a problem to be addressed and does not decouple race and poverty in the way the Planning Grant does. Choice applicants should be required to articulate how, through the planning process, they intend to identify and understand racial or ethnic segregation within the targeted neighborhood, ascertain the scope and causes of this segregation, and incorporate strategies for addressing these concentrations. Transformation Plans produced by Planning Grant recipients should be monitored and evaluated to ensure compliance.

Beyond AFFH, national policymakers and local officials have practical reasons for a more explicit consideration of race and ethnicity. First, although it is unnecessary to have received a Planning Grant to apply for an Implementation Grant and receipt of a Planning Grant is no guarantee of receiving an Implementation Grant, the structure of Choice is to facilitate this path. Better linking the two grants by encouraging proactive approaches to addressing racial and ethnic segregation and concentrated minority populations in the Planning Grant NOFA and technical guidance may help produce better plans that are more likely to satisfy the requirements of the Implementation Grant NOFA as well as the Choice program as a whole.

Second, the process of developing a Transformation Plan is an opportunity for making explicit issues of segregation and discrimination and for crafting strategies to address these. The planning process is a venue for including participants, creating buy-in, and building momentum. Leaving race and ethnicity largely unaddressed in the Planning Grant seems to indemnify applicants for actions that may adversely affect minority populations through efforts to address concentrated poverty rather than encouraging applicants to actively pursue strategies to reduce segregation. Attempts to address significant issues that are as contentious as segregation, discrimination, and integration after a plan is complete create an unnecessary level of difficulty and reduce the likelihood of success.

Finally, Choice was conceived as a program that would not repeat the mistakes of the HOPE VI Program. That race and ethnicity should have been more explicitly and appropriately addressed is one lesson that has been made very clear through newspaper accounts, scholarly reports, and

academic research, as well as from protests and lawsuits. To not address race and ethnicity in Choice, particularly the Choice Planning Grant program, which is likely to affect the largest number of neighborhoods and cities, is to not learn from the lessons of the past.

In targeting high-poverty neighborhoods across the United States, Choice provides an intriguing window onto these neighborhoods. The results of this research highlight the uneven racial and ethnic effects of concentrated poverty. They also show that, despite improvements in neighborhood diversity during the past 50 years, substantial numbers of highly segregated neighborhoods continue to persist. More needs to be done to tackle this issue. With more direct consideration of racial and ethnic segregation in high-poverty neighborhoods, Choice offers a promising program for doing this.

Acknowledgments

The author thanks Paul Joice at the U.S. Department of Housing and Urban Development for his management of the grant that funded the research on which this paper is based and the reviewers for their comments and corrections.

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