

# The Unintended Imposition of Housing Deconcentration?

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For years, policy analysts and the current Secretary of Housing and Urban Development have offered the reply to the question of how deconcentration fits as part of federal housing policy objectives: use deconcentration whenever appropriate, along with supply-side or place-based improvements, in a multifaceted strategy to address poverty (Briggs, 2008; DeLuca, 2012; Galster, 2013; Goering and Feins, 2008; Sharkey, 2013). Voluntary mobility (Goetz, 2002), in some form and degree, needs to be among the alternatives offered to low-income residents receiving housing assistance, if only because of the substantial levels of harm and fear often caused by living in deeply poor communities. Although not a silver bullet, voluntary mobility is among the critical tools that government and the nonprofit worlds should continue to engage in as they pursue comprehensive, effective, and equitable outcomes for cities, neighborhoods, and poor households.

We now know that the utility and effectiveness of deconcentration programs appear likely to vary according to the presence and power of certain structural and programmatic issues, the relevance of which are better understood now, two decades after the U.S. Department of Housing and Urban Development (HUD) launched its first major experimental deconcentration effort. In the approximately two decades since Congress authorized funding for HUD's experimental deconcentration effort, the Moving to Opportunity for Fair Housing (MTO) demonstration program, we have learned a good deal from the criticism, commentary, and new research generated that now enable us to more critically examine what dispersal is best suited to accomplish, its limitations, and its probable effects on families (Briggs, Popkin, and Goering, 2010; Goetz, 2002; Imbroscio, 2012, 2008; Ludwig, 2012; Massey et al., 2013; Oreopoulos, 2003; Sampson, 2012; Sharkey, 2013).<sup>1</sup> HUD's own contribution to neighborhood effects research has generated a wave of social science investigations of mobility, race, and neighborhoods that is only now available to planners and analysts. This research curiosity, built on the foundations laid by William Julius Wilson and Douglas Massey, has now generated a clearer view of the structural or systemwide resistance to large-scale poverty relocation.

In the short space allotted, I focus on four obstacles: (1) the reduced funding and support for federal programs, (2) that such reductions have been long term and harmful, (3) that opportunities have

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<sup>1</sup> Before returning to the university, I was the career project manager (or government technical representative) for MTO beginning in the early 1990s and designed, wrote, or collaborated on all the Requests for Proposals, Indefinite Quantity Contracts, and congressional reports that allowed for MTO and its research to be funded and completed, subject of course to review and approval by political appointees.

been shown to vary considerably across metro areas, and (4) that race continues to matter often quite profoundly. These constraints now more clearly appear to affect the chances for large-scale successful deconcentration of poverty. I, too, focus on the “under-theorized ... role of structural factors” (Goetz and Chapple, 2010: 225–226) in generating the benefits and harms of concentrated poverty (also see Galster, 2013). Such constraints have limited HUD’s ability to promote wide-scale deconcentration, along with its other missions. Unlike in the late 1980s, when most of us knew little about the conditions for successful poverty dispersal, we are now a bit wiser in identifying “which causes matter most” and “what types of effects can reasonably be expected from a dispersal strategy” (Goetz and Chapple, 2010: 227).

## Funding and Support for Federal Programs Have Declined

My focus begins on the structural impediments to adequately fund HUD’s missions, including the chances for supporting large-scale poverty deconcentration. We have recently seen limited prospect for federal funding adequate to the increasing needs for housing assistance this country faces, including a dwindling willingness to finance equitable development options for poor communities. Mann and Ornstein (2012), in *It’s Even Worse Than It Looks*, argued that Washington’s partisan “asymmetric” polarization significantly limits options for fiscal change and reform. The “dysfunctional politics” of recent Congresses, for example, led to the creation of budget sequestration that nonsurgically cuts nonentitlement funding for agencies like HUD (Naim, 2013; Ornstein, 2013). This “fiscal doomsday machine” (Krugman, 2013), established in the Budget Control Act of 2011,<sup>2</sup> limits the discretionary federal budget up through 2024, most probably imperiling plans for either mobility or place-based redevelopment at anything like a comprehensive national scale.

Congress’s actions are at least partially connected to popular views of the federal government. As one illustration, a 2011 Gallup poll revealed large increases in the percentage of Americans who now state that “the federal government poses an immediate threat to the rights and freedoms of ordinary citizens” (Saad, 2011). The percentage increased from 30 percent in 2003 to 49 percent in 2011; astonishingly, one-half of all Americans believe the federal government is out to hurt them. How do you create national plans for new initiatives when this distrust or contempt may affect support for aggressive federal initiatives aimed at reducing persistent racial and income inequality (Massey, 2007)?

## Funding Reductions Have Been Long Term and Harmful

Funding constraints are not new. For example, a recent research report noted: “Funding for public housing fell 12 percent between 2008 and 2012. Compared with two years earlier, appropriations for the HOME program in fiscal 2012 were down by 45 percent while those for the Community Development Block Grant program were down by 26 percent” (JCHS, 2013: 4).<sup>3</sup>

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<sup>2</sup> Public Law 112-25.

<sup>3</sup> The United States of course faces other comparably pressing needs for funding, including funding for food assistance, funding for environmental protections, and, as noted by the American Society for Civil Engineers in 2013, funding for an estimated \$3.6 trillion before 2020 for repairs to U.S. bridge and other infrastructure systems. See <http://www.cnbc.com/id/101214258>.

The cumulative negative effect of such long-term budget reductions on the affordable housing stock can be illustrated with a January 2014 NBC *Dateline* series, “Breathless.” The program focused on the effects of budget cuts within a previously well-maintained (Bloom, 2008) New York City Housing Authority (NYCHA) on the asthma condition of one tenant’s child.<sup>4</sup> In this program, a mother with a seriously ill, asthmatic child fights for more than a year to get the black mold and leaking plumbing fixed in her public housing apartment. She succeeded after many months with numerous calls to local media. Her apartment was repaired, but an acknowledged backlog of nearly 20,000 other repair requests remains, because the NYCHA has a huge deficit of funding for capital repairs for its 180,000 apartments in more than 2,500 buildings.

A recent study (HR&A Advisors, Inc., 2013) estimated the cost to repair NYCHA’s stock to a basic level of livability. The costs range from a minimum of \$12 billion to a more complete cost of \$23 billion, averaging roughly \$100,000 per unit, not including the costs of addressing the needs for resilience adaptation forced to the front by flooding in the wake of Hurricane Sandy (HR&A Advisors, Inc., 2013).<sup>5</sup> For fiscal year 2014, however, Congress allocated only \$4.4 billion for all the public housing operating costs across the United States and another \$1.87 billion for all capital funding needs (NLIHC, 2014). Accumulating the total U.S. funding (inflation adjusted) for 15 years would then cover only one agency’s repair needs.

The policy concern becomes then not whether voluntary deconcentration should be a leading goal of federal housing policy, but whether the physical deterioration of the low-rent housing stock might cause residents to involuntarily move out of buildings as they become uninhabitable, demolished, or too expensive to afford as public housing authorities (PHAs) are forced to raise rents. Might the systematic short-changing of the capital needs of public housing, linked to rent reforms coupled with persistent budget cutbacks, create forced or unplanned deconcentration? Might HUD then be blamed for such poverty dispersal as the public reacts, analogously, to their rejection of MTO in Baltimore 20 years ago, creating further downward pressures on support for urban redevelopment?

## **Opportunities Vary Notably Across Metropolitan Areas**

So much of what we knew in social science and policy terms about spatial deconcentration programming in the late 1980s was based on a single city, Chicago, because of the power of the Gautreaux precedent (Polikoff, 2006). We now have learned how variable opportunities can be across metropolitan areas. Chetty et al. (2014), for example, showed us how options for social mobility differ across metropolitan areas, echoing Sharkey’s (2013) analysis of how cities differ in the degree to which they experience declining disadvantage. It is now also much clearer that the suburbs, which some thought offered assured opportunities, are now experiencing more poverty and racial change

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<sup>4</sup> See <http://www.nbcnews.com/video/dateline/53992710#53993240>.

<sup>5</sup> This cost estimate is substantially higher than HUD’s 2010 estimate (Abt Associates Inc., 2010) for NYCHA of repair needs of \$30,000 per unit. For the country as a whole, Abt estimated a backlog of repair needs of \$25.6 billion, or \$23,300 per unit, with 20-year accrual needs of \$89 billion, or roughly \$82,000 per unit. NYCHA has not hidden its deep concern: “Funding for capital improvements has been in steady decline for a decade. This chronic capital funding gap has placed the public housing asset in jeopardy” (NYCHA, 2013: 8).

than had existed in the late 1980s (Kneebone and Berube, 2014). If we had been aware of the actual or pending power of such metropolitan differences in racial and neighborhood disadvantage, we might have been more strategic in selecting communities for MTO that could more ably reveal neighborhood-related effects.

## Race Continues To Matter, Profoundly

To no one's great surprise, race continues to serve as a powerful obstacle to opportunities (Quillian, unpublished). Recent research has sharpened our awareness of multigenerational ways in which race-related obstacles limit the chances for successful deconcentration. Sharkey's *Stuck in Place* (2013) shows us how limited the chances are for most African Americans to make it out of the ghettos into which they and their predecessors were born. Sampson (2012), too, reveals the social and spatial pressures on the residential mobility trajectories in Chicago and how much mostly African-American MTO families were constrained by those forces. The middle-income neighborhoods into which many MTO families initially moved have now been shown to be uniquely vulnerable, thence minimizing African Americans' chances for upward mobility and increasing their chances of moving downward.<sup>6</sup>

Among the results of research involving the largely minority families engaged in the MTO demonstration (Briggs, Popkin, and Goering, 2010) was that most suffer from a poverty of awareness and information about their options, potential opportunities, and resources that might be available to aid them. Racial concentration serves to obstruct or block the flow of information about the choices of which families should be aware, for themselves and their children. It appears inevitable then that any larger scale implementation of deconcentration needs to find locally framed, innovative means of addressing this effect of ghettoization.

## Final Thoughts

It was necessary, I would argue, ethically and policy- and research-wise, for HUD in 1990 to try for the first time to learn if modest levels of voluntary mobility into better-off communities would help the lives of participants. The social experiment did that, although not in the ways that the Gautreaux myth had predicted (Ludwig, 2012; Oreopoulos, 2003). If Congress continues to eat away at funding for the core stock of public housing apartments, public housing may become as uninhabitable as that from which MTO families chose to escape in fear for their lives. Deconcentration might become increasingly involuntarily and structurally determined by factors over which HUD, local PHAs, and residents will have little to no control.

Evidence and ideas, however, suggest how new programs and innovation might occur. Massey et al.'s (2013) research on Mt. Laurel scattered-site housing shows us that substantial economic and social benefits for its residents can emerge. Galster (forthcoming), too, shows some modest employment effects from Denver's scattered-site program. The agencies engaged in the Moving to Work demonstration program also have been encouraged to undertake innovative programs,

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<sup>6</sup> "If the most powerful effects of neighborhoods stem from exposure in prior generations ... it is perhaps not surprising that research from mobility programs has generated inconsistent and relatively small impacts" (Sharkey, 2013: 134).

which are yet to be carefully studied (OIG, 2013). The recent inclusion in the 2014 budget of provisions to encourage building PHA consortia is another possible vehicle for innovation and cost sharing. The best and most creative ideas the Barack Obama Administration has already had in innovatively aiding low-income areas—the Choice Neighborhoods Initiative and Promise Zones—have, however, been starved for funding. In May 2013, HUD was able to allocate roughly \$120 million for the entire nation for its Choice Neighborhoods Initiative, far from the budget needed to tackle all the tasks targeted. In 2014, Congress allocated enough funding for only 20 such communities (Shear, 2014)<sup>7</sup> despite Sharkey's (2013: 162) results, which showed that “the economic fortunes of black youth improve, and improve rather substantially ... when neighborhood disadvantage declines.”

Positive lessons are to be learned from such programs that can also aid us all as we wait for the country to fund its commitment to equitable, affordable housing for the poorest among us. If not, racially framed urban inequality will only deepen the divides that already plague our cities and suburbs. Thus, the pessimist in me answers the question posed to us that deconcentration might well be forced on us. The optimist argues that alternatives exist.

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<sup>7</sup> [http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/comm\\_planning/economicdevelopment/programs/pz](http://portal.hud.gov/hudportal/HUD?src=/program_offices/comm_planning/economicdevelopment/programs/pz).

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