

Spring 2015

HOPE VI: A Comparative Case Study of Mixed Income Public Housing Programs

Emily Raszler
University of Portland

Follow this and additional works at: http://pilotscholars.up.edu/pol_studpubs



Part of the [Political Science Commons](#)

Citation: Pilot Scholars Version (Modified MLA Style)

Raszler, Emily, "HOPE VI: A Comparative Case Study of Mixed Income Public Housing Programs" (2015). *Political Science Undergraduate Publications, Presentations and Projects*. 1.
http://pilotscholars.up.edu/pol_studpubs/1

This Student Project is brought to you for free and open access by the Political Science at Pilot Scholars. It has been accepted for inclusion in Political Science Undergraduate Publications, Presentations and Projects by an authorized administrator of Pilot Scholars. For more information, please contact library@up.edu.

HOPE VI

A Comparative Case Study of Mixed Income Public Housing Programs

Emily Raszler

Senior Honors Project

Spring 2015

Introduction

Public housing is one of the longest running social services in the United States, with a history that echoes the racial tensions and movements of the country. Without public housing, the already high levels of homelessness in cities would most likely skyrocket. Public housing also fights against gentrification, keeping affordable housing options within cities while rents around the projects skyrocket. Famously, during the 1980s, public housing projects became hot spots for gang violence and drug abuse. To fight against this, the Department of Housing and Urban Development created the HOPE VI program to change the way public housing worked, moving from small, fully subsidized units to a mixed-income model.

This paper will explore two HOPE VI funded public housing redevelopment projects, one in Portland, Oregon and one in Washington, D.C. It will examine the effectiveness of mixed income housing and determine which of the two housing projects was most successful.

History of public housing in the United States

As with most public services in the United States, the history of public housing begins with the New Deal. In 1933, Congress enacted the National Industrial Recovery Act. Within this piece of legislation, Title II, Section 202 created the first incarnation of public housing by providing low-interest loans to public or private groups for low-income housing. In 1937, the Wagner-Steagall Housing Act solidified the permanent public housing program. However, it placed heavy limitations on the construction of housing, capping the cost for each unit at \$5,000.

Construction began, however, and by 1939 there were 50,000 housing units intended for public housing use. Support for these projects was widespread as a means to an end of job creation, a theme that resonates throughout the history of public housing in the United States.

The public housing program continued to grow with the Housing Act of 1949. This legislation was created with the goal of a “decent home in a decent environment for every American.” It expanded the Federal Housing administration and federal involvement in mortgage insurance, provided the authority and funding for slum clearance and urban renewal, and initiated construction of public housing with a goal of 810,000 units. The modern incarnation of federal public housing policy begins in 1965 with the Housing and Urban Development Act. This created the Department of Housing and Urban Development (HUD), a cabinet-level wing of the federal government that still exists today. The bill shifted the funding from government-funded projects to subsidizing privately constructed low-income housing. It also created the precursor to the current rent voucher program. Section 23 of the legislation allowed local housing authorities to place individuals who were on waiting lists for public housing in privately leased units.

The current voucher program, known as Section 8, comes from the Housing and Community Development Act of 1974. This created subsidies for privately constructed low-income housing projects as well as the very popular tenant based voucher program. This program covers the gap between 25% of the family’s income and the market rate of the unit, allowing local housing authorities to place families

in privately owned housing. This program has remained so popular that in Washington, DC, the local housing authority closed the list in 2013 indefinitely (Inglesias 93).

In 1989, Congress established the National Commission on Severely Distressed Public Housing. The commission's report found conditions in several public housing projects to be deplorable and unfit for renovation, let alone living. From this came the Housing for People Everywhere program, more commonly known as HOPE VI. The program was to give grants of up to \$50 million to public housing authorities for the complete demolition and reconstruction of housing projects. HOPE VI projects were required to implement mixed-income housing, in which the units would be a combination of public housing, rent subsidies, and market rate.

The first grant was given to the Atlanta Housing Authority in 1993. Since then, 96,200 public housing units have been demolished and replaced by 107,800 new or renovated units, of which 56,800 are intended for the lowest-income households. There have been 254 HOPE VI Revitalization grants awarded, totaling over \$6.1 billion. Funding for the program ceased in 2010 when the Obama administration unveiled the Choice neighborhood program which aims to provide cradle-to-graduation wraparound services for families. Nevertheless, the idea of mixed-income housing and the ideologies of New Urbanism and defensible space continue with the new program.

New Urbanism and defensible space theory

The new constructions were to be based on the ideologies of New Urbanism and defensible space. These ideas are a departure from the traditional conceptions of public housing, from the “Garden City” variety with two or three level brick buildings centered around empty grass squares or the tall, monotone apartment buildings of the 1960s and 70s that often disintegrated into towers of squalor. New Urbanism is a modern design movement that promotes walkable neighborhoods with well-tended green spaces and parks. These neighborhoods include a range of incomes, job types, residences, and commercial spaces, with the hope that if the project looks more like an organic urban area and less like obvious planned government housing, the residents will feel more ownership and crime rates will decrease. The Congress for New Urbanism, the organization that promotes this design concept, states in their charter:

We advocate the restructuring of public policy and development practices to support the following principles: neighborhoods should be diverse in use and population; communities should be designed for the pedestrian and transit as well as the car; cities and towns should be shaped by physically defined and universally accessible public spaces and community institutions; urban places should be framed by architecture and landscape design that celebrate local history, climate, ecology, and building practice.

Defensible space theory was developed in the 1970s by Oscar Newman, an architect and city planner. The theory holds that since crime rates were higher in high-rise apartment project than low-rise apartments, people felt less control over their surroundings when occupied by so many people. When people feel more responsibility and control over their home, they will work to preserve both the

physical space and the safety and well being of the community. Additionally, the theory holds that “certain features of physical settings, such as indication of territory and surveillance opportunities, can reduce crime” (Ham-Rowbottom 117). Research to support this theory has had mixed results, since it is difficult to isolate the variables that go into a criminal’s decision making.

The two grant recipients that will be analyzed in this paper are New Columbia in Portland, Oregon and Capitol Quarter in Washington, D.C. These two cases were chosen because they were granted within the same administration, come from cities experiences similar gentrification processes, but had much different crime and drug backgrounds.

New Columbia

New Columbia was originally Columbia Villa, built in 1943 to house defense workers during WWII. It was originally comprised of 400 units in a low-density, suburban-style development with “curvilinear streets, many trees, and open space” (Gibson). The public housing project remained a welcoming place to live throughout the 1960s, referred to by *The Oregonian* as “beautiful” (Gibson). Unfortunately, the influence of crack cocaine in the 1980s had negative effects on the safety of the neighborhood, not to mention the public perception.

In 1993, the Department of Housing and Urban Development granted New Columbia \$34 million for redevelopment. Construction began in 2004, although many residents deemed the redevelopment unnecessary. One resident quoted by Karen Gibson found that Columbia Villa “wasn’t bad, it was just old” (Gibson). The

development was ready for living by 2006 and the number of units had increased from 460 to 850. The public housing project now has both government subsidized units and market rate homes, parks, a community center, a life-long learning center, an elementary school, a produce market, and a coffee shop. The sustainable landscaping elements make it one of the most progressive developments in Portland

Capitol Quarter

Capitol Quarter is a two-phase development, incorporating both the Arthur Capper projects and Carollsborg, formerly a combination of low-rise apartment buildings and townhomes with over 700 subsidized apartments. Capitol Quarter is one of seven HOPE VI projects in Washington, DC. The project began in 1999 and was finished in the fall of 2012. The project originally was only expected to take 3-4 years (McKone). It now has 770 mixed income units, 155 public housing, 152 project-based voucher, 221 Low Income Housing Tax Credit, 140 homeownership, 151 senior and 40 assisted living units. The entire development, which includes a senior residential building, an apartment building expected to be finished in 2015, and four new mixed-income apartment buildings, is projected to have more than 1,500 residential units. This redevelopment is much larger than New Columbia and involves more varied economic and social groups.

Redevelopment of public housing is a costly and time-consuming undertaking. Since the first grant was awarded in 1992, HUD has spent more than \$6 billion on HOPE VI funded projects. With the popularity of the Section 8 voucher program along with the history of drugs, violence, and concentrated poverty in

subsidized housing, it is important to question whether redevelopment is worth the time, effort, and money. Additionally, it would be much less expensive to redevelop the projects into many-unit, high-density developments similar to those in Washington D.C. If the goal were to house as many people as possible, smaller units in more compact buildings would be the obvious choice.

Is mixed-income housing a successful model for public housing? Is it worth the cost, relocation of residents, and inability to house all original residents? Additionally, between the two case studies, which was more successful? To answer these questions, I will look at crime, employment, and poverty rates before and after redevelopment. I will assess from anecdotal evidence whether the public perception of the projects is positively affected after redevelopment. Between the two cases, I will compare return rate of original residents as well as number of market rate units sold to assess whether the projects are seen as desirable living situations.

Findings and discussion

The success of a public housing project depends on a multitude of different factors, thus isolating where success is derived from is a difficult feat. However, some aspects of the projects may provide clues to the standard of living of its residents. The effectiveness of the HOPE VI program itself has more clear ways to gauge effectiveness.

Cost of redevelopment

The Capitol Quarter project was initially granted \$34.9 million through HOPE VI for redevelopment in 2001. With additions from private and public investors, the

grant grew to over \$750 million, making it one of the largest redevelopment projects in the country (Cisneros 48). Incorporating private investors grew the size of the project but also lengthened the time to completion. The program in Portland was given the same amount from HUD, but additional investments grew the budget to only \$150 million. This is a much smaller redevelopment in size and scope. New Columbia's 850 units cost approximately \$176,500 per unit while in DC, per unit cost was \$500,000. However, while both projects include a community center, parks, and other services, Capitol Quarter also includes a school and a senior center (with the accompanying medical necessities).

Relocation and return of residents

Relocation of residents at Captiol Quarter began in 2003, with the expectation to return in 2006. Most residences were not ready for move-in until 2012. Many residents were relocated for the duration of the redevelopment and chose not to return to their previous homes because it had simply taken too long (Popkin). Capitol Quarter boasts that it is the first HOPE VI redevelopment in the country to provide one-for-one replacement of demolished public housing units, although this statement does not entirely ring true. While the number of housing units has increased, the number of fully subsidized public housing units has decreased. This leaves former residents to rely on the oversaturated Section 8 voucher program to be able to move back to their home.

In Portland, the situation is the same. While the number of units increased from 400 to 850, only 560 are subsidized and of those, only 267 of those are public

housing. This proves frustrating for tenants who wish to return only to find there are not enough units, or they must pay a higher rate than they were before.

Relocation is especially difficult on families. In Portland, 46% of families had to change schools one relocated (Gibson 17). In Washington, DC, this number is nearly impossible to track since the school system is a lottery system and most students do not attend their neighborhood school. In Portland, a study done by Karen Gibson asked relocated residents of New Columbia about their ability to pay rent in their new homes through the Section 8 program, and while only 9% said no, 24% were not sure. Section 8 is also much less stable housing and families might be required to move more than once. Only 38% of families said they would want to return to New Columbia after the redevelopment was finished, citing stability, specifically with changing schools. Another less tangible issue with relocation is the loss of community. This is especially important in Portland, which is overwhelmingly white. The African American communities in North and Northeast Portland have tight bonds and moving away from that can be detrimental to standard of living.

Residents that did not want to return offered reasons including crime rates and the perception. One resident told Gibson she did not want to go back because “overall my children are happier now---they no longer get teased or put down because of where they live” (Gibson 19). Others cited simply that moving is difficult and costly. Overall, Gibson found that those residents who were relocated to a neighborhood they desired were the most satisfied with the relocation process.

Market rate units

New Columbia reports that all market rate units have been sold (Popkin). Capitol Quarter reports that they only have two market rate units that have not been sold, however two of the apartment buildings in the development that include market rate units have not finished construction. This shows that residents in both cities find the developments suitable places to live.

Crime Rates and Poverty Levels

On June 30th, 2014, a man was shot and killed in New Columbia. This was the first murder in the neighborhood since 1994. After the crack cocaine epidemic of the 1980s, North Portland saw a gradual decrease in crime until 2012, when there were 63 gang related violent crimes. That number increased to 116 in 2013 (Gibson). This uptick in crime echoes the rest of Portland but still has residents concerned. In Washington, DC, crime has decreased all over the city in the last 20 years. Perceptions of crime in Capitol Quarter show that it has decreased; "Twenty-two (22) percent reported that the area was much safer, and another 44 percent reported that it was somewhat safer. One-third of neighborhood residents said that neighborhood crime was unchanged." In 2000, 61% of residents at Arthur Capper/Carrollsburg were below the poverty level (Crime Incident). In 2010, the rate was down to 50%, which is still very high. In New Columbia, the poverty rate in 2010 was 43%, only a 1% increase since 2000 (Gibson).

Conclusion

With those statistics in mind, it is hard to conclude whether or not mixed income housing is an effective model for public housing. In the long term, it may lead to better upkeep of the developments since more revenue is coming in and there is more incentive for maintenance. The crime rates in both projects seem to echo the crime rates of the greater city, which will most likely continue. For the amount of money that is spent on these programs, it seems as though the private investment that greatly boosted both redevelopments' budgets had the greatest effect. This tactic should be further explored and used by HUD. More research on mixed income housing projects such as New Columbia and Capitol Quarter should be done to see if the economic diversity has a lasting effect on the crime and employment rates of residents.

As for the comparison between the two projects, based on the amount of money spent per unit and the length of time between demolition and reinstatement of former residents, New Columbia was a more effective project. The smaller redevelopment was perhaps a key in this case. While crime rates in Washington, DC have decreased, the sense of community in Portland is stronger. As the HOPE VI program moves into the Choice Neighborhood program, a focus on relocation services, one-for-one replacement of fully subsidized units, and shorter redevelopment times will make for the most successful projects.

Annotated Bibliography

Von Hoffman, Alexander. "History Lessons for Today's Housing Policy The Political Processes of Making Low-Income Housing Policy." (n.d.): n. pag. Print

Von Hoffman relates the latest major change in housing policy to the creation of federal housing, drawing comparisons and contrasts in terms of the economic and political landscapes. The tone of the article suggests it was written by a student, and thus the reliability must be questioned.

Popkin, Susan J., Bruce Katz, Mary K. Cunningham, Karen D. Brown, Jeremy Gustafson, and Margary A. Turner. A Decade of HOPE VI: Research Findings and Policy Challenges. A Decade of HOPE. Urban Institute, May 2004. Web. 20 Feb. 2015.

This is a very educational source that evaluates the entire HOPE VI program. The contributor's conclusion is that the program is in fact succeeding and while no solution is perfect, HOPE VI is the most effective program to this date. Funded by the Urban Institute and the Brookings Institute, two well-respected think tanks, this article can be trusted to be reliable and non-biased.

Levy, Diane, and Mark Woolley. "Relocation Is Not Enough Employment Barriers among HOPE VI Families." Metropolitan Housing and Communities Center. Urban Institute, 4 June 2007. Web. 23 Feb. 2015.

Another article from the Urban Institute. This source discusses employment barriers that families face when living in public housing, such as poor health and a history of unemployment. The methodology used in coming to these conclusions is clearly outlined and the sponsor of the research is a trusted source.

Gallagher, Megan, and Beata Bajaj. "Moving On: Benefits and Challenges of HOPE VI for Children." Metropolitan Housing and Communities Center. Urban Institute, 4 June 2007. Web. 23 Feb. 2015.

This source is additional research from the same publication as above. The authors suggest that the voucher program can have positive affects for children and teens by moving them into areas with more stable families, while others may never feel accepted by their peers from a different social class.

Cahill, Meagan, Samantha S. Lowry, and P. Mitchell. Downey. Movin' Out: Crime Displacement and HUD's HOPE VI Initiative. Washington, D.C.: Urban Institute, Justice Policy Center, 2011. Research Report. Urban Institute, 2001. Web. 24 Feb. 2015.

This source addresses the question of whether crime is truly lowered by the HOPE VI program or simply moved to other parts of the city. This is another article from the reputable Urban Institute.

McInelly, Mary. "Transportation Reform at the Scale of the Block, the Street, and the Building." 2006 CNU Transportation Summit. Urban Design, 2006. Web. 24 Feb. 2015.

This is a report presented at a transportation conference that discusses the effectiveness of transportation reform at the New Columbia HOPE VI site in Portland, OR. The author concludes that the reforms have been effective. Since the work was presented at University of Colorado Boulder, it can be concluded that it is a scholarly work and thus reliable.

Cisneros, Henry, and Lora Engdahl. From Despair to Hope: Hope VI and the New Promise of Public Housing in America's Cities. Washington, D.C.: Brookings Institution, 2010. Print.

This book evaluates all Hope VI programs, including New Columbia in Portland, Oregon and Arthur Capper in Washington, D.C. It is a thorough investigation of the program and its pros and cons. The Brookings Institute is a well-respected source for social science scholarly work.

Committee on Government Reform, United States Congress. Public Housing Management : Do the Public Housing Authorities Have the Flexibility They Need to Meet the Changing Demands of the 21st Century? : Hearing. N.p.: DIANE, 2006. Print.

This is a primary document that is a record of a congressional hearing on Public Housing Authorities and the HOPE VI program. It provides insight into the relationship between the Department of Housing and Urban development and the local authorities.

McKone, Jonna. "Old D.C. Housing Projects Give Way To New." WAMU 88.5. American University Radio, 8 June 2012. Web. 26 Feb. 2015.

This source is a radio story on the Arthur Capper HOPE VI development in Washington, D.C. It outlines the costs and benefits of the program, especially the displacement of people during the redevelopment time.

"Crime Incident Data for Selected HOPE VI Sites in Milwaukee, Wisconsin, 2002-2010, and Washington, DC, 2000-2009 (ICPSR 29981)." Crime Incident Data for Selected HOPE VI Sites in Milwaukee, Wisconsin, 2002-2010, and Washington, DC, 2000-2009. Institute for Social Research, University of Michigan, 2006. Web. 26 Feb. 2015.

This source contains crime incident data for the Arthur Capper development in Washington, D.C. This information is helpful in concluding whether the HOPE VI

program is effective in reducing crime rates. The research was done with cooperation from the Department of Justice, and so the accuracy of the data can be trusted.

Hackworth, Jason. *The Neoliberal City: Governance, Ideology, and Development in American Urbanism*. N.p.: Cornell UP, 2013. Print.

Hackworth outlines the basic tenets of the New Urbanism concept in city design. New Urbanism was highly influential in the design and implementation of the HOPE VI developments, with its focus on wide streets, greenways, separate buildings, and community spaces.

Jacobs, Jane. *The Death and Life of Great American Cities*. Vintage, 1992. Print.

This book was originally written in 1972 and is considered the most prominent work on city organization and the sociology of neighborhood safety and community creation. The author proposes that the more ownership residents feel over their neighborhood, the less crime will occur. Spaces must be open and visible by many different sightlines from private residences. Tradition and roots in a neighborhood are important to community creation as well

United States. Department of Housing and Urban Development. National Commission on Severely Distressed Public Housing. *The Final Report*. Washington, D.C.: HUD Library, 1992. Department of Housing and Urban Development. Web. 2 Apr. 2015.

This is the initial report done by the National Commission on Severely Distressed Public Housing that prompted the Department of Housing and Urban Development to create the HOPE VI program. They found that the majority of

families living in the 86,000 units of public housing suffered in physical, emotional, social, and economic distress.

Jacob, Brian A. "Public Housing Vouchers, And Student Achievement: Evidence From Public Housing Demolitions In Chicago," *American Economic Review*, 2004. Web. 1 Apr. 2015.

This study commissioned by the National Bureau of Economic Research found that children in public housing compared to those who use the voucher program to relocate to different neighborhoods have the same educational achievements. This is good news for the public housing programs because it supports the idea that public housing can still be a positive program, if other aspects are improved.

United States. Department of Housing and Urban Development. FY 2010 Budget: Road Map for Transformation. Department of Housing and Urban Development, 2010. Web. 2 Apr. 2015.

2010 was the year that the HOPE VI program changed to the Choice Neighborhood program. Choice Neighborhoods build on the funding structure of HOPE VI to include other social services, including education, healthcare, and employment services.

Rothstein, Richard. "Race and Public Housing: Revisiting the Federal Role." *Economic Policy Institute*. N.p., 17 Dec. 2012. Web. 02 Apr. 2015.

This article for the Economic Policy Institute unpacks the racial history of public housing in the United States, specifically the isolation of African Americans since the 1960s brought white families out to the suburbs. Rothstein argues that "de

facto” segregation brought about by market and demographic forces is a myth. He argues that it is instead a purposeful product of public policy.

Iglesias, Tim, and Rochelle E. Lento. "Affordable Housing: An Intimate History." *The Legal Guide to Affordable Housing Development*. Chicago, IL: American Bar Association, 2011. N. pag. Print.

This article is another helpful history of affordable housing in the United States, giving legal and economic explanations for the development of the public housing program. It explains the different actors in the process, including the Department of Housing and Urban Development, nonprofits, and preservation efforts. The author argues that while other domestic issues such as healthcare, energy, transportation, and education are widely discussed in the national conversation, public housing is avoided because most Americans are well housed. Thus it has been a secondary goal in both policy development and funding.

Ham-Rowbottom, Kathleen A., Robert Gifford, and Kelly T. Shaw. "Defensible space theory and the police: assessing the vulnerability of residences to burglary." *Journal of Environmental Psychology* 19.2 (1999): 117-129.

This is a study of defensible space theory, first introduced by Oscar Newman. HOPE VI projects used defensible space theory as a basis for their design concepts, in order to reduce crime and increase a sense of community. The two territorial factors the theory proposes are actual and symbolic barriers, actual being physical barriers to access and symbolic being characteristics of a home that indicate personal property. This signals to the criminal that the homeowners care about the property and are prepared to defend it. The study found that actual

barriers, traces of occupancy, and road surveillability protected the most against burglary.

Gibson, Karen. "Columbia Villa (New Columbia)." The Oregon Encyclopedia. A Project of the Oregon Historical Society, n.d. Web. 22 Apr. 2015.

Dr. Gibson is a professor at Portland State University who has done extensive research on public housing, specifically New Columbia. This is a research project she did concerning the relocation of families in the Columbia Villa development.