



# How to Increase Housing and Neighborhood Opportunity for Low- Income Families & Children

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# Big Picture

- ◇ Why We Care:
  - ◇ Children and the American Dream
- ◇ What We Know Now:
  - ◇ The Roots of the American Dream Are Spatial and Local—housing and neighborhoods matters
- ◇ How Do We Get There:
  - ◇ Expand neighborhood opportunity
  - ◇ Support housing agencies & property owners
  - ◇ Shore up the lower value/middle housing markets



# Housing Affordability Matters

- ◇ Compared to similar low-income parents who paid **60%** of income toward rent, those paying only **30%** of income toward rent:
  - ◇ Spent more on enrichment activities for their children
  - ◇ Saw their children perform better on reading and math tests
- ◇ **BIG EFFECTS!** 2/3 as large as mother's education!

*Source: (Newman & Holupka, 2014, 2015, 2016)*

# Housing Affordability Matters

- ◆ Low-income children who lived in subsidized housing development where family paid < 30% income in rent ALL years they were a teen:
  - ◆ Earned \$2,540 (boys) to \$2,440 (girls) more at age 26
  - ◆ Had a .32 (boys) to .55 (girls) lower probability of being incarcerated at age 26

....Than their siblings who NEVER lived in such housing when they were a teen

*Source: (Andersson et al., 2018, National Bureau of Economic Research)*



# Housing Quality Matters

- ◇ Damp, mold, vermin, poor upkeep, overcrowding → parental stress, depression, hostility
- ◇ Damp, mold, vermin → child asthma
- ◇ Poor upkeep → emotional & behavioral problems, lower test scores for children
- ◇ Lead paint exposure → children's cognitive impairment, impulsivity

*Source: (Jacobs, et al. 2009; Coley et al. 2013; Chambers et al., 2015)*

# Housing Stability Matters

- ◆ Mothers who were evicted experienced higher levels of material hardship, more parenting stress and depression, lower self-reported health and health of their children
- ◆ An additional year in doubled-up household is associated with 9% lower odds of high school graduation; 8% lower odds of college attendance; 11% higher odds of obesity

*Source: (Desmond and Kimbro, 2015; Harvey, 2018)*



# Housing Stability Matters

“God, where **DID** I go to school?... I started trying to get my GED... a lot of this stuff might do with the homelessness, you know, got to keep **running back and forth to different places** in a certain period of time, and that’s just a little much. ... I’m smart, though.” *–Emily, 20 year-old*

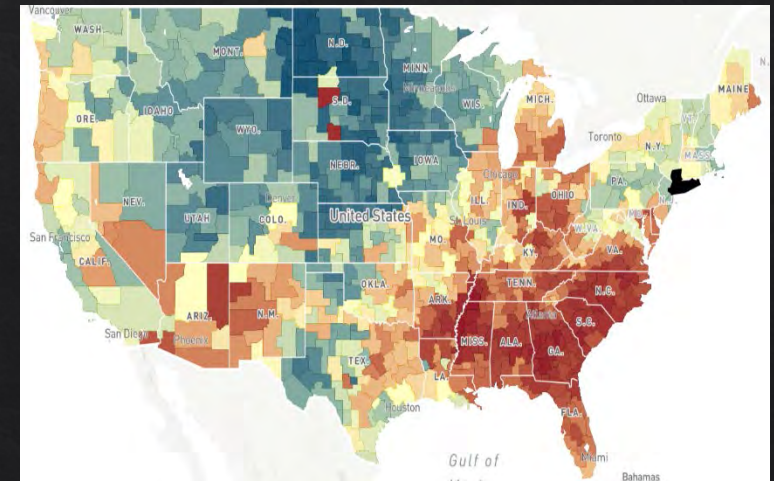
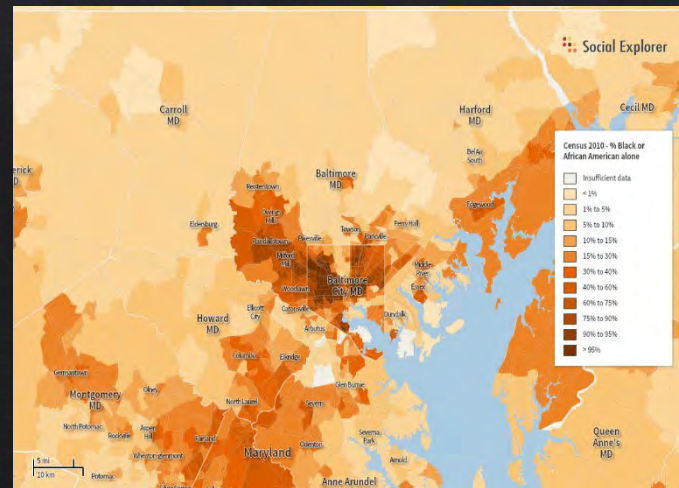
# Housing Stability Matters

- ❖ Two major federally supported interventions show that providing permanent housing subsidies can have large impacts on family and child outcomes
  - ❖ Reduced homelessness and housing instability
    - ❖ Reduction in days doubled up by 80 days
    - ❖ Fewer school changes
    - ❖ Improvement in parental mental health
    - ❖ Reduction in intimate partner violence
    - ❖ Reduction in food insecurity
- ❖ It is cost effective—worth the investment just on cost savings in emergency shelter alone

*Source: (Gubits et al, 2016; Wood, Turham & Mills, 2008)*

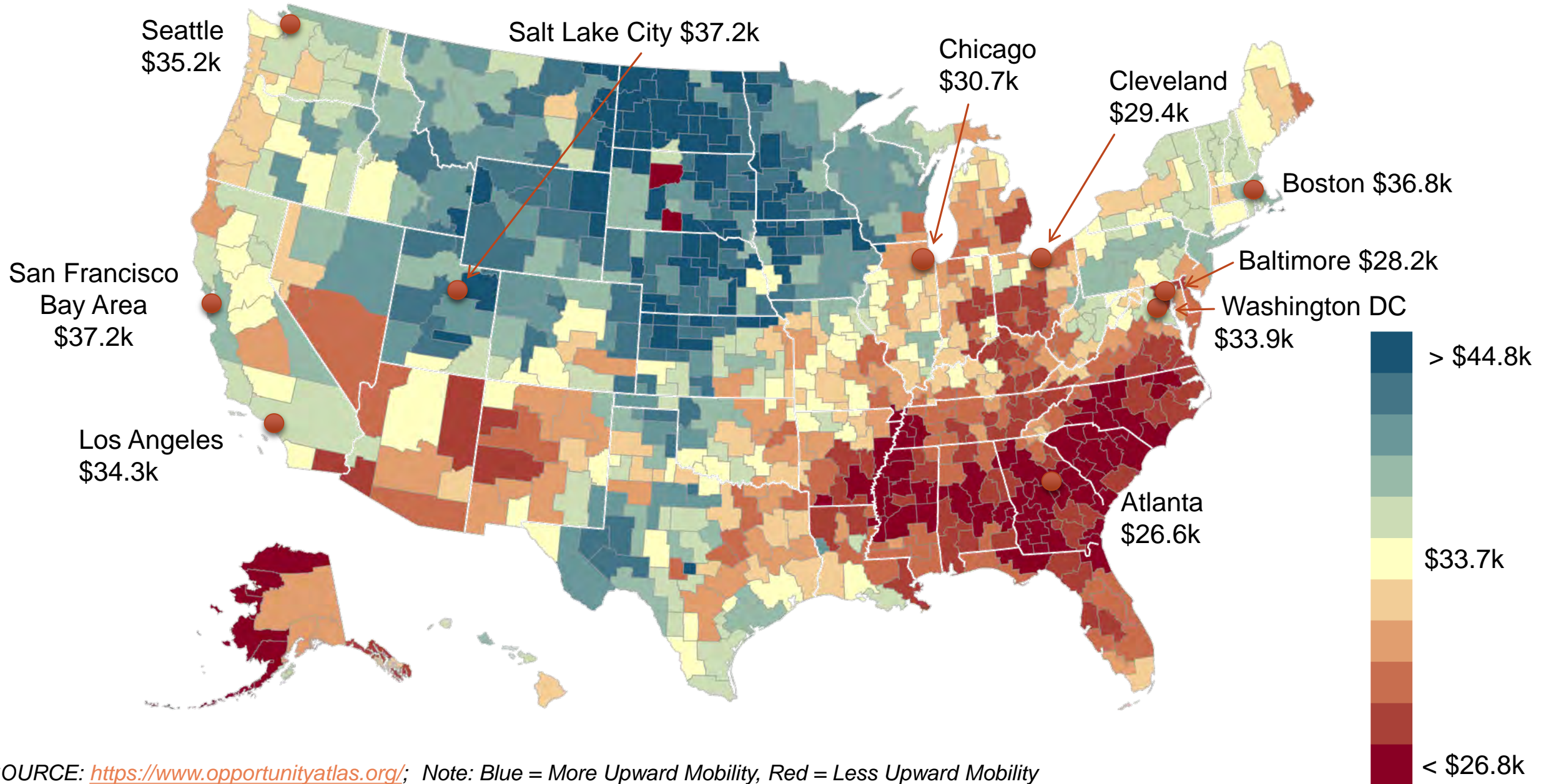


# Place Matters Too: not just families but *neighborhoods* that shape children's future prospects and social mobility



# The Geography of Upward Mobility in the United States

Average Household Income for Children with Parents Earning \$27,000 (25<sup>th</sup> percentile)





# Place Matters

- ◇ Growing up in a neighborhood of concentrated disadvantage reduces verbal ability of African-American children to the same extent as **missing 1 year of school**
- ◇ Negative effects accrue over time & have devastating effects on the odds of **graduating high school**
- ◇ This matters more for black youth, especially **boys**

*(Source: Sampson, Sharkey and Raudenbush, 2008; Wodtke, Harding and Elwert, 2011)*

# Place Matters

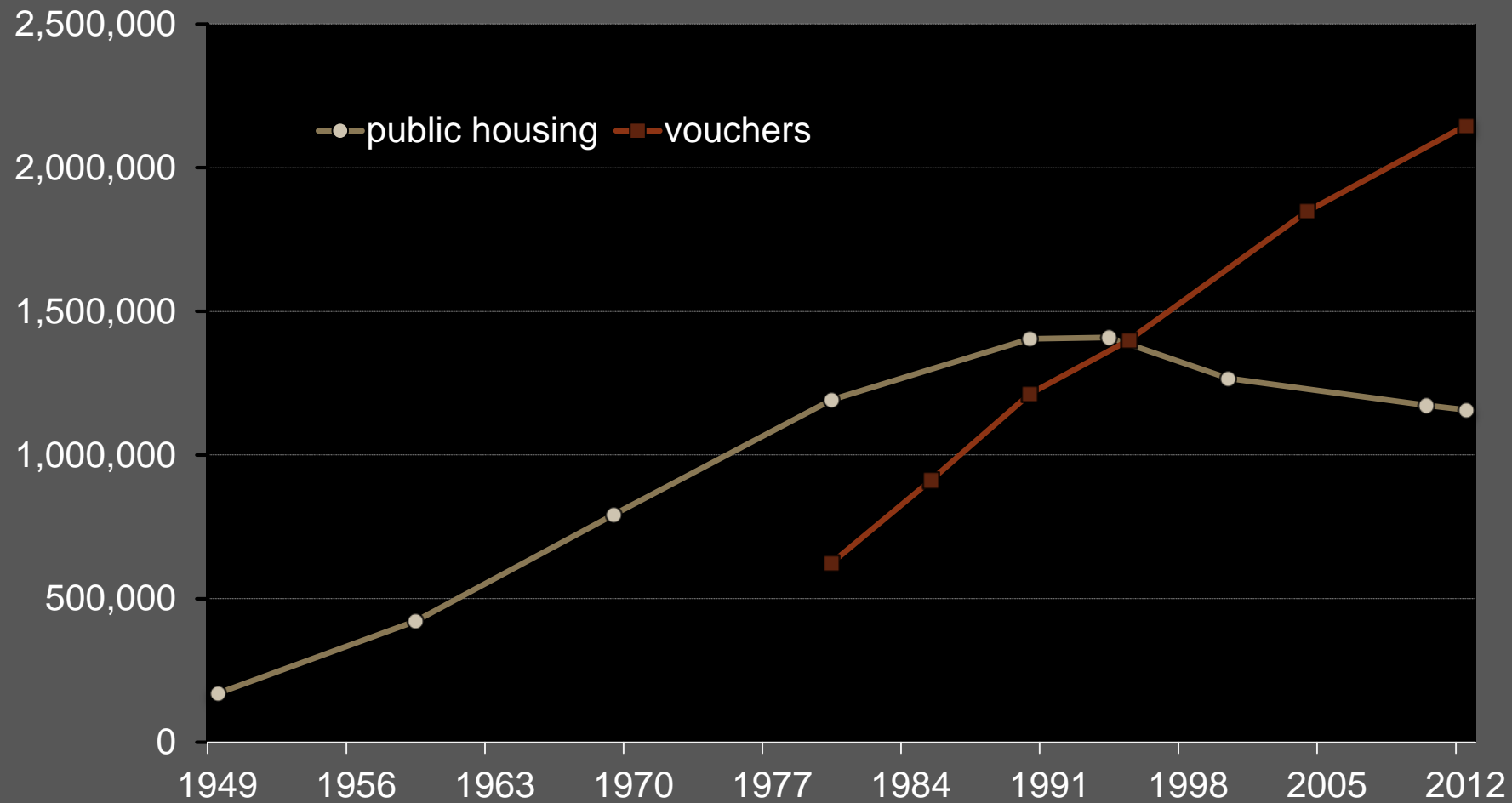
“[In my old neighborhood] people were different. It was all, like, addicts there...[where we moved to] there were more friendly people, **more people that have stuff to live for . . . aspirations to do something with themselves...**” —*Erica, 23 year-old*

“When I first moved in the house, I just cried...I was like “Oh my God.... Now I can raise my family in the way I want to raise them,” you know? If I had not had that opportunity to go into the [mobility] program, **I would not have known what it would have been like to live in a house in a positive environment...** how middle class people live.” —*Peaches, mother of 14 year-old*



How Do We Provide Housing *and*  
Neighborhood Opportunity?

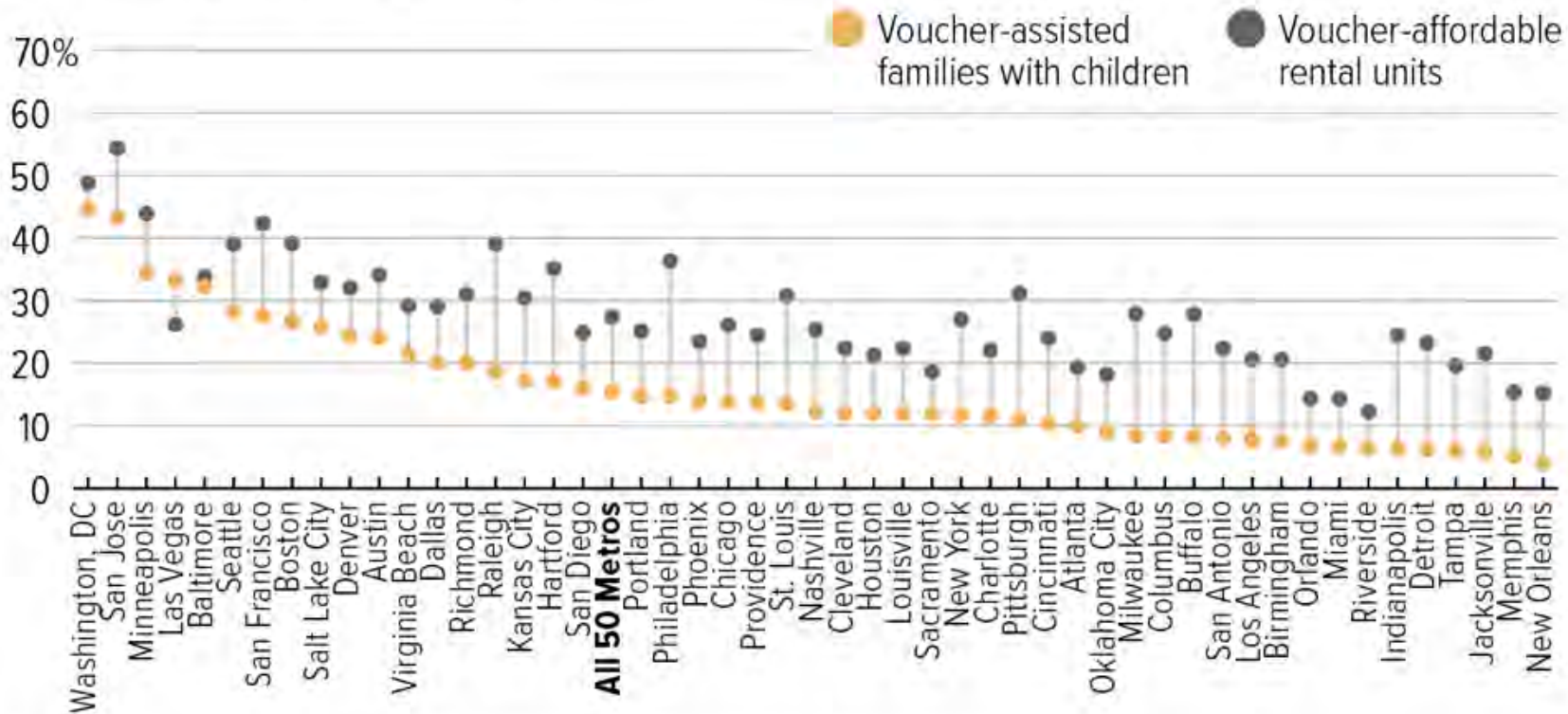
# Subsidized Housing Units, 1950-2012





# In 49 of 50 Largest Metro Areas, Share of Voucher-Assisted Families With Children in Low-Poverty Neighborhoods Is Lower Than Share of Affordable Units

Share in low-poverty neighborhoods



Note: Low-poverty neighborhoods are Census tracts with a poverty rate of less than 10%.

Source: CBPP/PRRAC analysis of the 2012-2016 American Community Survey, 2016 Department of Housing and Urban Development (HUD) Small Area Fair Market Rents, and 2017 HUD administrative data

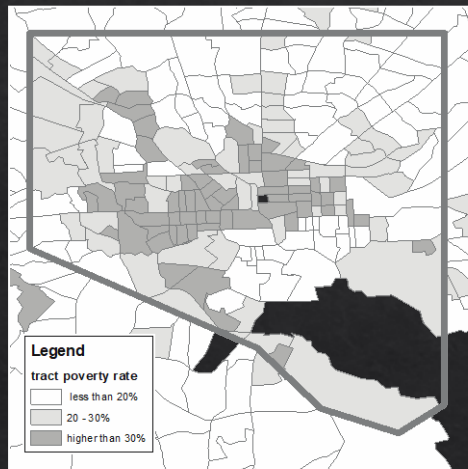
# What Limits the Success of the Program?

- ◇ 1. Bureaucratic features of the program
- ◇ 2. Tenant factors such as social networks and preferences
- ◇ 3. The limited supply of rentals
- ◇ 4. Landlord refusal to participate
  - ◇ WHY? WHO ARE THEY? WHAT'S THEIR PERSPECTIVE?

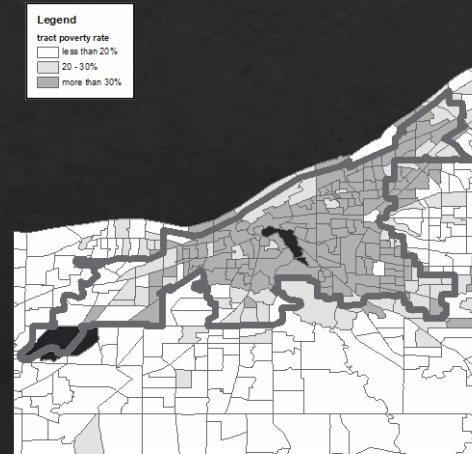
*Sources: (DeLuca, Garboden, and Rosenblatt 2013; McClure 2008; Devine 2003; Galster 2005; Hartung and Henig 1997; Schwartz 2010; Basolo and Nguyen 2005; Devine 2003; Schwartz 2010; Turner 1998; Devine 2003; Pendall 2000)*



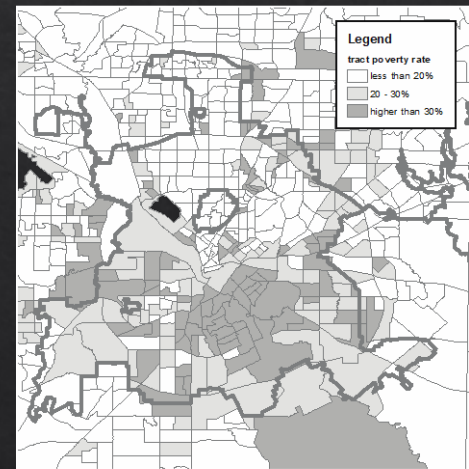
# Data & Methods



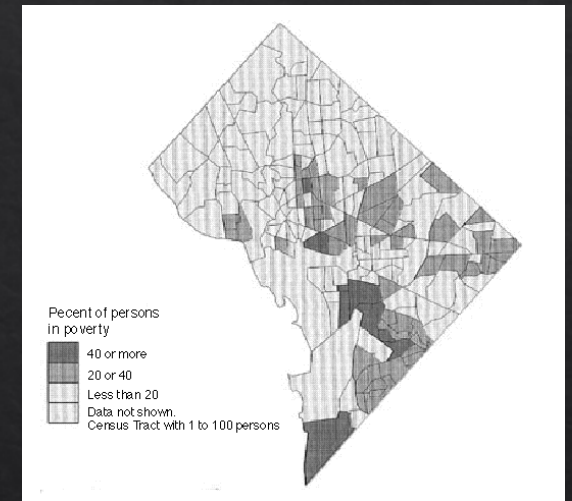
BALTIMORE, MD



CLEVELAND, OH



DALLAS, TX



WASHINGTON, DC

*Our Landlord Report:*

*[https://www.hud.gov/sites/dfiles/PIH/documents/Research\\_Report\\_HCV-Program.pdf](https://www.hud.gov/sites/dfiles/PIH/documents/Research_Report_HCV-Program.pdf)*

## Sample Demographics

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Total Sample	n	127
Baltimore	n	36
Cleveland	n	56
Dallas	n	35
Respondent Race		
Black	%	40.2
White	%	46.7
Other	%	13.1
Respondent Male	%	60.5
Business Type		
Landlord / Investor	%	76.8
Property Manager	%	30.4

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Source: *Tabulation of respondent demographics.* (Garboden, Rosen, Greif, DeLuca, Edin; [https://www.hud.gov/sites/dfiles/PIH/documents/Research\\_Report\\_HCV-Program.pdf](https://www.hud.gov/sites/dfiles/PIH/documents/Research_Report_HCV-Program.pdf))

Note: Business types are not mutually exclusive.



# Data & Methods

The image shows a 'Family Report' form from the U.S. Department of Housing and Urban Development. The form is divided into several sections: 1. Agency, 2. Action, and 3. Data. The Agency section includes fields for Agency name, Address, Program, Report number, Building number, and Unit number. The Action section includes fields for Type of action, Effectiveness, and Assessment. The Data section includes fields for Date from, Date to, and various data points related to housing and family services. The form is a standard HUD form used for reporting on housing and family services.

## 50058 Data

All HCV subsidized units in the Baltimore, Cleveland, and Dallas metropolitan areas, 1994 and 2015.



## Field Observations

Time in housing court, sheriff's ride alongs, stakeholder meetings.



## Ethnographic Data

Accompanying landlords going about their day-to-day, observation of REIAs.

# Who Are Landlords?

- ◆ Landlords are influenced by more than profit
  - ◆ **personal motivations and social background** affect responses to tenants (e.g. willingness to lease/evict) & as property decisions (acquire or sell property, renovate existing units, effort invested in maintenance).
  - ◆ **behavior varies considerably** as a function of neighborhood location, unit condition, tenant family composition (e.g. the presence or absence of children), and source of income.
- ◆ Accidental Landlords and Fragile Investors (Mom and Pops)
- ◆ Real Estate Investors (Amateur and Ambitious)
- ◆ Entrepreneurial (Strategic Marketing to HCV)
- ◆ Corporations (Bigger Players)



## Experience matters:

70% of non-participating landlords in our random sample with units <150% FMR had participated in the past.

# What It's Like From Landlords' Perspectives

I'm torn between how much time am I really gonna spend on it ... you can see there's some peeling paint and there's some stuff that needs to be done, but I'm like shit next year, **I may just have to walk away from it.**—*Lane*, Baltimore

I have [done it]. It's strategic foreclosure. **When you owe like five times what a property is worth and you can't collect enough rent to pay** – see you later. I don't care, my credit means nothing. I can't get a loan anyways.—*Nelson*, Dallas

How come if someone doesn't pay their rent or take care of my place, they're the ones that are protected? **I have no power...**I don't mind [being held] to a high standard because I'll meet the standard. But don't penalize me for things I can't control.—*Bob*, Cleveland

**It's not uniform.** You deal with one inspector and you have this. And with another inspector, you have that....It all depends who your inspector's going to be, if he had his coffee that morning.—*Susan*, Cleveland



# What Can We Do?

Turns out, there's a lot, and it's happening in cities all over the country

# Creating Moves to Opportunity in Seattle and King County

**Randomized trial** to develop and test policy-scalable strategies to reduce barriers housing choice voucher recipients face in moving to high-opportunity areas in Seattle and King County





# Treatment Interventions

CUSTOMIZED  
SEARCH  
ASSISTANCE

On average, non-profit staff spend **6.3 hours** with each household

DIRECT  
LANDLORD  
ENGAGEMENT

**52%** of rentals in high-opportunity areas made through links via non-profit staff

SHORT-TERM  
FINANCIAL  
ASSISTANCE

Average financial assistance of **\$1,100** for security deposits, application fees, etc.

Program Cost: \$2,600 per family issued a voucher  
(2.2% of average voucher payments over 7 years)

*Note: Families **not** required to move to high-opportunity areas*

# Key Elements in the CMTO Intervention

## CUSTOMIZED SEARCH ASSISTANCE

- **High-opportunity area education** to increase families' knowledge about high-opportunity areas.
- **Rental application coaching** to increase families' competitiveness for rental units by addressing credit history and preparing a narrative.
- **Housing locator services** to help families identify suitable units in high-opportunity areas.

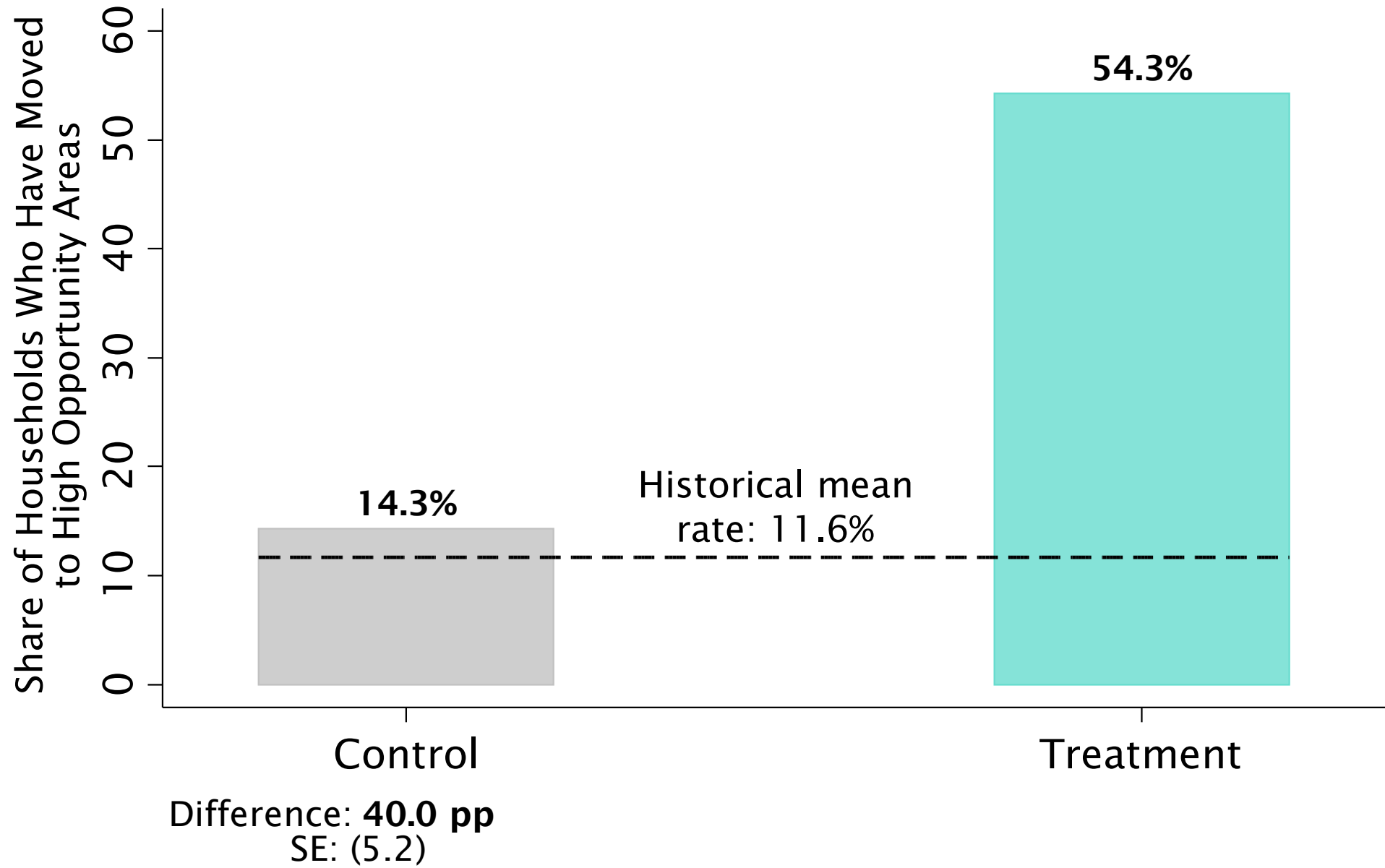
## INCREASED LANDLORD ENGAGEMENT

- **Cultivate relationships** with landlords in designated high-opportunity areas to create housing opportunities for CMTO families.
- **Expedite lease-up processes** by completing PHA required documents and conducting housing inspections more quickly.
- **Insurance fund** to mitigate risks of property damage.

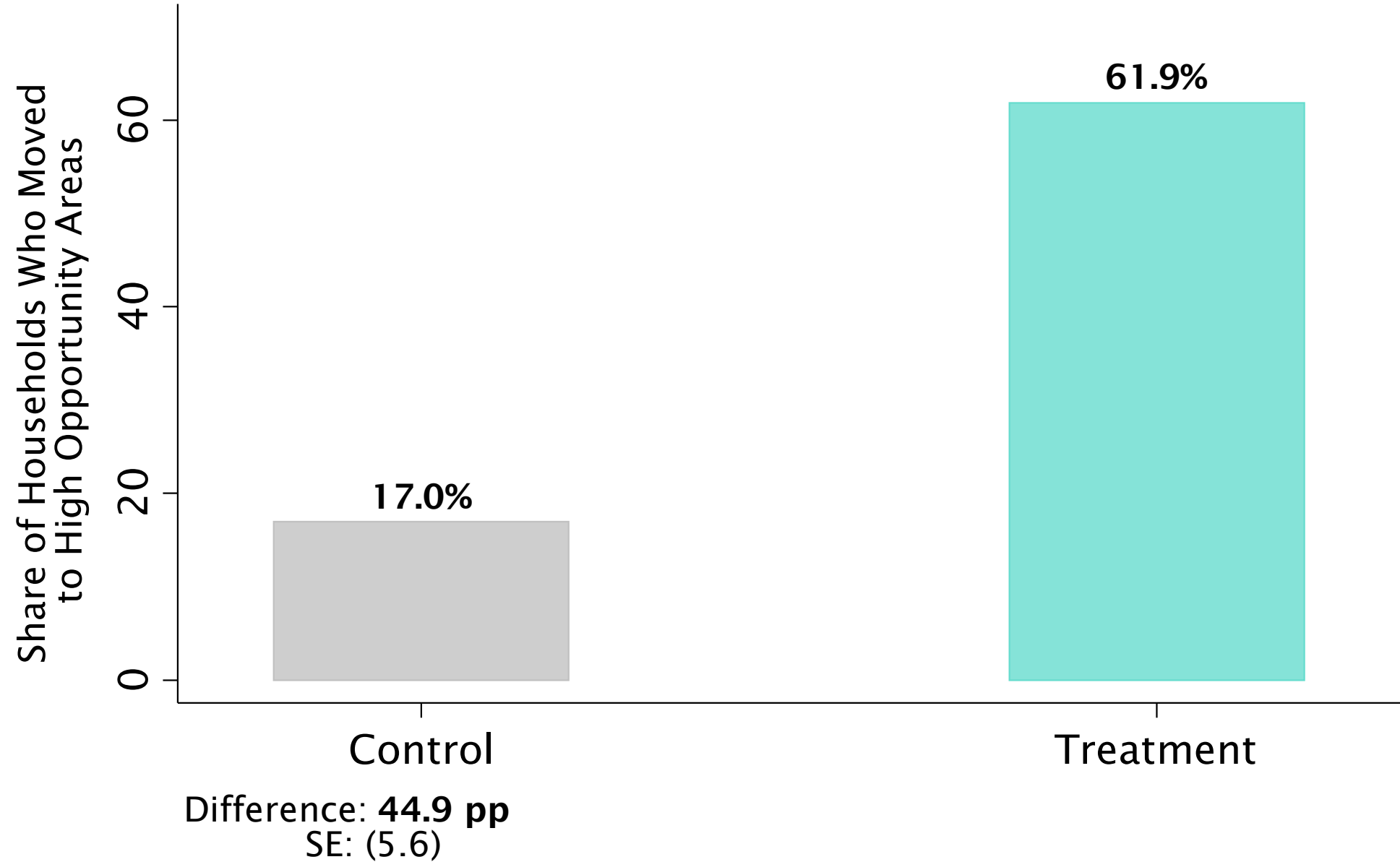
## SHORT-TERM FINANCIAL ASSISTANCE

- Grants to **defray move-in expenses**, such as application fees and security deposits (on average \$1,100).

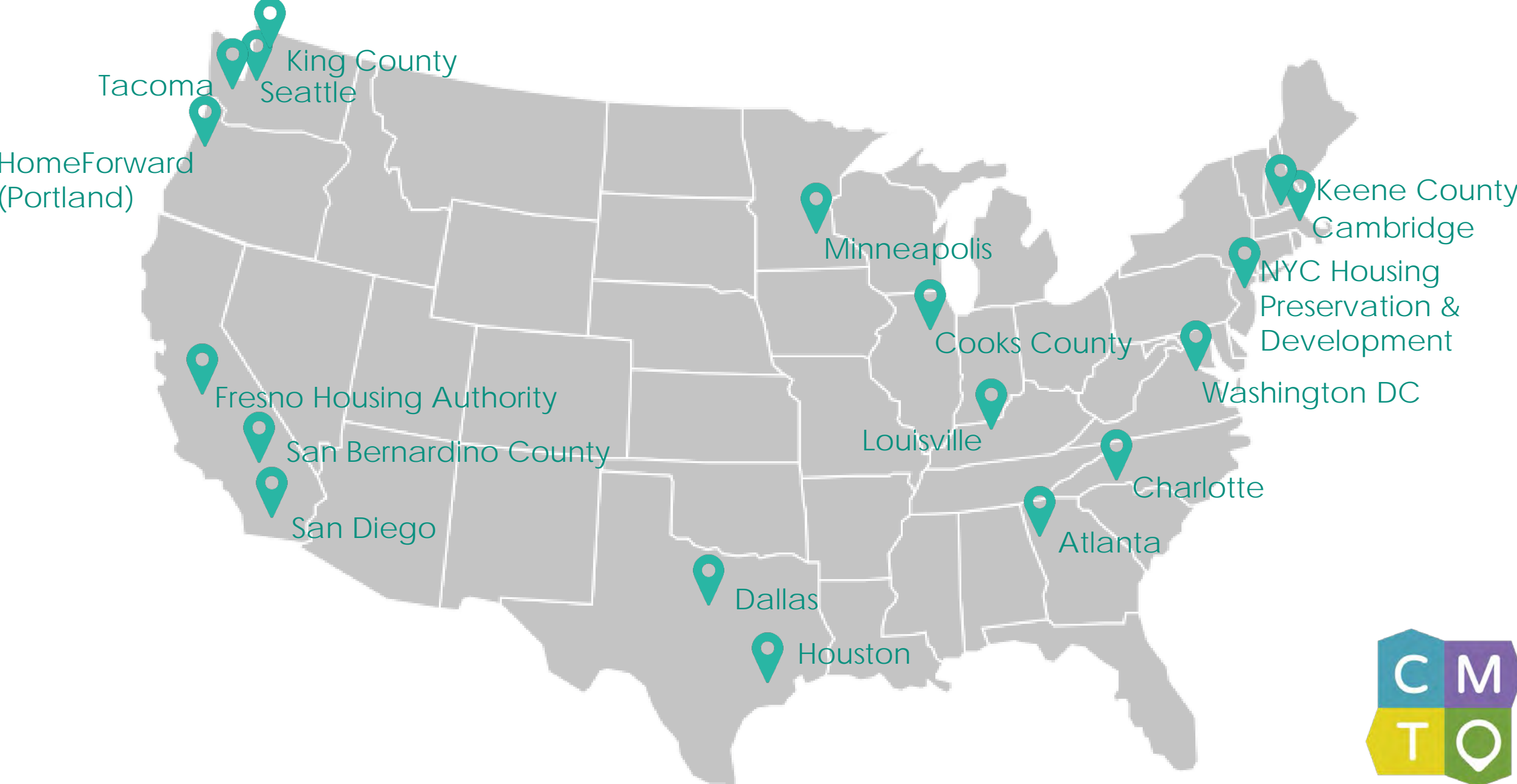




# Fraction Who Leased Units in High Opportunity Areas, Conditional on Leasing Up Using Voucher



# CMTO Expansion Partners Across the Country





# Housing Choice Voucher Mobility Demonstration Act

Shown Here:  
Referred in Senate (07/11/2018)

115<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

## H. R. 5793

IN THE SENATE OF THE UNITED STATES

JULY 11, 2018

Received; read twice and referred to the Committee on Banking, Housing, and Urban Affairs

## AN ACT

To authorize the Secretary of Housing and Urban Development to carry out a housing choice voucher mobility demonstration to encourage families receiving such voucher assistance to move to lower-poverty areas and expand access to opportunity areas.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

### SECTION 1. SHORT TITLE.

This Act may be cited as the "Housing Choice Voucher Mobility Demonstration Act of 2018".

### SEC. 2. HOUSING CHOICE VOUCHER MOBILITY DEMONSTRATION.

(a) **AUTHORITY.**—The Secretary of Housing and Urban Development (in this section referred to as the "Secretary") may carry out a mobility demonstration program to enable public housing agencies to administer housing choice voucher assistance under section 8(o) of the United States Housing Act of 1937 ([42 U.S.C. 1437f\(o\)](#)) in a manner designed to encourage families receiving such voucher assistance to move to lower-poverty areas and expand access to opportunity areas.

#### (b) SELECTION OF PHAS.—

(1) **REQUIREMENTS.**—The Secretary shall establish requirements for public housing agencies to participate in the demonstration program under this section, which provide that the following public housing agencies may participate:

# Place Matters

- ◇ Moving from high poverty to low-poverty neighborhoods yields gains:
- ◇ FOR MOTHERS
  - Reduction in obesity and diabetes risk for mothers (Ludwig et al, 2011)
  - Improvement in mental health on par with best practices (Ludwig et al, 2012)
  - Parenting practices (DeLuca, Clampet-Lundquist and Edin, 2016)
- ◇ FOR CHILDREN (Chetty, Hendren and Katz, 2016)
  - Increase in college attendance (2.5 percentage points, 32% increase)
  - Increase in earnings (\$3700/yr, 30% increase)
  - Increase in marriage (2 percentage point increase, 55% increase)
  - Second generation neighborhood effects
- ◇ Interventions can more than pay for themselves as children become adults
  - Counseling cost between \$2-4K far smaller than tax revenue gain of \$200K family w 2 young children that moves

# Landlords Matter: Do the Basics Well

- ◇ Pay them more (payment standards, security deposits, bonuses)
- ◇ Answer the phone
- ◇ Have someone familiar with the client for landlords to talk to
- ◇ Prepare clients
- ◇ Standardize, expedite and/or skip inspections
- ◇ Provide damage payment insurance



# Big Picture

- ◇ Expanding access high-opportunity neighborhoods provides an immediate tool for decreasing segregation and expanding economic opportunity
  - ◇ Evidence based, cost effective and bipartisan supported
  
- ◇ Housing Providers Are Vital Partners
  - ◇ Policies need to recognize and support partnerships with owners, investors and PHAs
  
- .....
  
- ◇ The Dream of Homeownership is Alive and Well, Even in Depressed Markets
  - ◇ Innovative financing and support to avoid family vulnerability and neighborhood instability
  
- ◇ Creating Opportunity in Place
  - ◇ Neighborhood support and revitalization is another necessary tool
  - ◇ Recent work in 16 communities with developers, homeowners, renters, investors