

A SUSPECT SHIFT

Public Housing's Transition to Mixed-Income Housing

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National Analysis

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¹ Authored as an Urban Fellow at Georgia State Law School’s “Study Space: Denver” program (2009).
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“HOPE VI has been characterized by a lack of clear standards, a lack of hard data on program results, and misleading and contradictory statements made by HUD. HUD’s failure to provide comprehensive and accurate information about HOPE VI has created an environment in which misimpressions about the program and its basic purposes and outcomes have flourished --- often with encouragement from HUD.

HOPE VI plays upon the public housing program’s unfairly negative reputation and an exaggerated sense of crisis about the state of public housing in general to justify a drastic model of large-scale family displacement and housing redevelopment that increasingly appears to do more harm than good.

While it was intended to be a solution to severely distressed public housing, HOPE VI has been the source of new problems as serious as those it was created to address.”²

² The National Housing Law Project et. al., *False Hope: A Critical Assessment of the Hope VI Public Housing Redevelopment Program*, i-ii (June 2002). Available at <http://www.nhlp.org/files/FalseHOPE.pdf>

I. Introduction

The United States Department of Housing and Urban Development (hereinafter HUD), along with state and local agencies, administers public housing in America by providing subsidized assistance to low and very low income people – many of whom are living in poverty. “[P]ublic housing serves a vital need in communities across the country by providing much needed affordable housing--especially for families with extremely low-incomes--and supportive services.”³

Located in more than 3,500 communities across the country, public housing is a vital national resource that assists 2.3 million vulnerable Americans.⁴ Most would agree that the overarching aims of federal housing programs are not only noble in nature, but also beneficial to our country’s most compromised population. HUD’s mission statement delineates its objective to “create strong, sustainable, inclusive communities and quality affordable homes” and “meet the need for quality affordable rental homes.”⁵

Though notable strides have been made in housing the nation’s impoverished since public housing programs began in the 1930s, a series of setbacks have plagued recent progress. Particularly troublesome has been HUD’s recent shift from a traditional public housing model to its current mixed-income housing model. Both federal and state government officials argue that mixed-income housing is more desirable than traditional public housing. However, the manner in which many local Public Housing Authorities (hereinafter PHAs) have opted to implement this new model is flawed to the degree that it has benefited far fewer residents than traditional public housing.

A number of PHAs across the country played a direct role in creating some of the most damaging setbacks associated with this new housing model. Equally important, however, is the absence of opposition from HUD in light of these setbacks. In fact, HUD regulations and HUD guidance have acutely *endorsed* the faultiness of these local entities. This speaks to a pointed contradiction where the agency’s overarching mission to create affordable and inclusive communities has been undermined by the major shortcomings of mixed-income housing in many US cities. Simply put, HUD’s rhetoric regarding its innovative mixed-income model does not match the reality it has created for its public housing residents.

There are two nuanced and somewhat interconnected reasons mixed-income housing has failed from the perspective of public housing residents. One, this model has substantially depleted the stock of public housing units. This is a reality that has been

³ Matthew Cardinale, *U.S. Reps. Frank, Waters Ask to Halt Demolitions of Public Housing*, Atlanta Progressive News, Aug. 18, 2008. Available at <http://www.atlantaprogressivenews.com/news/0366.html>

⁴ Barbara Sard and Will Fischer, *Preserving Safe, High Quality Public Housing Should be a Priority of Federal Housing Policy*, Center on Budget and Policy Priorities, Oct. 8, 2008, at 1. Available at <http://www.cbpp.org/files/9-18-08hous.pdf>

⁵ U.S. Department of Housing & Urban Development, <http://portal.hud.gov/hudportal/HUD?src=/about/mission> (“HUD’s mission is to create strong, sustainable, inclusive communities and quality affordable homes for all. HUD is working to strengthen the housing market to bolster the economy and protect consumers; meet the need for quality affordable rental homes; utilize housing as a platform for improving quality of life; build inclusive and sustainable communities free from discrimination; and transform the way HUD does business.”)

discussed, examined, and criticized in many different venues through many different forums. As noted in 2000, “[t]he numbers are out of sync because the housing being built will not replace all the units being torn down.”⁶ Roughly half of over 100,000 demolished public housing units have been replaced. Arguments have continually been made that “alternative housing” was provided for those whose units that were not rebuilt and for those who suddenly did not qualify for the new mixed-income units.⁷ But these alternative options have been riddled with issues, which will be highlighted throughout this analysis.

Furthermore, the alternative housing proposed as an equitable substitute is *not* part of the redeveloped mixed-income community; the community that will now have a renewed tax base, access to new amenities, and a much improved physical environment.

This bleeds into the second reason – which is a mere *14 percent* of the original public housing tenants are currently living in (and therefore benefiting directly from) the mixed-income communities that have been created.⁸ This colossal transition to mixed-income housing was pitched as a way to couple federal and private resources to enhance the housing situation for *all* of the nation’s public housing residents – not for a marginal portion. As summarized by a friend and public housing resident in 2008, “Nothing about us – is for us – without us.”⁹ This proverb underscores the importance of including the very people you have promised to serve in the decisions that directly impact them.

The following analysis does not suggest that mixed-income housing has fundamentally failed. There have been many successes associated with this transition. But the questions are – successes for whom and for which population? Given 14 percent of the targeted public housing population now lives in revitalized mixed-income housing projects, it is reasonable to assert that such successes do not often embody the original public housing tenants. In other words, many of mixed-income housing successes have come at the cost of thousands of people who were slated to be the beneficiaries.

Part II, Section A of this analysis presents a broad overview of public housing in the United States and also explores the underlying rationale fueling a transition to a mixed-income model. Part II, Section B pinpoints eight specific shortcomings that undercut the ultimate success of mixed-income housing. Part II, Section C notes some changes that have been made to mixed-income housing through HUD’s Choice Neighborhood Initiative. And finally, Part III highlights Denver’s Quigg Newton housing as an exemplary illustration for how local PHAs could have used their HUD grants to successfully renew the face of public housing without defaulting to a mixed-income model.

II. A National Analysis: Public Housing’s transition to Mixed-Income Housing

A. Public Housing in the United States

⁶ Garbarine, Rachele. *Public Housing’s New Face: Will It Lift the Urban Poor?* NYTimes Feb. 13, 2000.

⁷ *Id.* (Donna White, a spokesperson for HUD, said: “To create these new communities – and better housing – in most cases you can’t put back what has been taken down. But no one is going to be left out, because they are given alternative housing.”)

⁸ Larry Buron et al., *The HOPE VI Resident Tracking Study: A Snapshot of the Current Living Situation of Original Residents from Eight Sites*, Abt Associates Inc. and The Urban Institute, 108 (2002).

⁹ Comment from a public housing resident (who prefers to remain unnamed), 2010.

After the United States had experienced the largest market crash of the nation's history in 1929, public services were needed more than ever before.¹⁰ Public housing was one of many responses to this crash, first emerging from the Housing Act of 1937. It was charged with the mission of assisting low-income renters in securing "decent, safe, and affordable housing."¹¹ This mission was carried out by offering very low-income people subsidies to lower rents to a more affordable rate based on the income of the applicant.¹²

Contrary to popular perception, "[p]ublic housing was not designed to serve the most disadvantaged members of society; rather it was designed to assist the working class that had been affected by World War II and the Great Depression."¹³ Yet, by the mid-1940s, President Franklin Delano Roosevelt had listed "assistance of housing and providing help to the under-privileged" as some of the greatest accomplishments of the New Deal.¹⁴

Though not designed to serve the most disadvantaged at the outset, public housing gradually became and has become a public service that focuses heavily on assisting those who struggle most to retain permanent housing. By the 1960s, it was opened to both minorities and welfare recipients.¹⁵ Today, it remains a vital national resource that provides decent and affordable homes to over a million families across the country and is particularly valuable because it guarantees affordable rents for families with low and very low incomes.¹⁶

Yet despite a plethora of success stories throughout the nation's public housing history, "[f]ew government programs have as unfavorable a reputation as the federal public housing program. The name "public housing" itself evokes images of bleak, crime-ridden projects."¹⁷ More than anything else, it was this unfavorable reputation that set the stage for a transition to mixed-income housing in the early 1990s.

1. A significant shift: Public housing to mixed-income housing

From desegregation to the creation of high-rise housing, the face of public housing and public housing strategies have shifted and evolved over time. One of the most prominent remains the recent shift from traditional project-based public housing to mixed-income housing. This shift was spurred in the 1990s as a means to address the most troubled portions of the public housing stock, especially those that were deemed "severely

¹⁰ Jasmine L. Edo, *Public Housing in the United States: Using Sustainable Urbanism to Combat Social Exclusion*. Scripps Senior Thesis, 10 (2010).

¹¹ Lawrence L. Thompson, *A History of HUD*, 4-5 (2006). Available at http://mysite.verizon.net/hudhistory/hud_history.pdf

¹² *Id.*

¹³ Edo, *supra* n. 9, at 10.

¹⁴ Richard D. Polenberg, *The Era of Franklin D. Roosevelt, 1933-1945* 24-25 (Bedford ed. 2000).

¹⁵ Rachelle Garbarine, *supra* n. 6.

¹⁶ The National Housing Law Project et. al., *supra* n. 2, at 7.

¹⁷ *Id.*, at i-ii.

distressed,”¹⁸ while simultaneously blending varying income echelons in a common complex.

In 1993, Congress launched HOPE VI to mobilize this shift to mixed-income housing and help communities revitalize their severely distressed public housing units.¹⁹ The HOPE acronym stands for Homeownership and Opportunity for People Everywhere and the VI symbolizes four previous programs created by Congress starting in 1990 (number five was skipped).²⁰ “The goal of mixed-income housing developments [was] to deconcentrate poverty and physically upgrade distressed housing units to attract market-rate renters, with the hope of improving the quality of life for low-income, public housing residents.”²¹ Officials at HUD said the program aimed to “use public and private financing to allow the housing to fit in more gracefully and incorporate more services like education and job training.”²²

In theory and on paper, this innovative housing strategy was quite sound (as addressed *supra*). Yet the flawed implementation of this strategy in addition to the misleading information used to justify its existence severely undercut many of the virtues and benefits promised to low and very low-income people.

2. The underlying promise of mixed-income housing.

The underlying promise of mixed-income housing lies in its potential to be a more effective, holistic housing model. Rather than concentrating low-income families and individuals in housing projects consisting only of public housing residents, this strategy

¹⁸ HUD’s “severely distressed” standard has been highly criticized given its open-ended nature. “It is impossible to know whether or to what extent the HOPE VI program is addressing severely distressed public housing because the term “severely distressed public housing” has never been concretely defined. The term has had at least half a dozen definitions since 1989.” The 1989 Department of Housing and Urban Development Reform Act set forth a list of criteria for developments to which the Commission was to pay special attention. These included occupancy by families with children, design and management deficiencies and recurrent criminal activity. *See* Pub. L. No. 101-235, Tit. V, § 504 (Dec. 15, 1989). The 1992 Commission report set forth or used three definitions of “severe distress.” Its initial definition of a severely distressed development was one that had 500 units or more, an elevator, a vacancy rate higher than 15 percent, and was predominantly occupied by families with children. *See*, National Commission on Severely Distressed Public Housing, *The Final Report of the National Commission on Severely Distressed Public Housing: A Report to the Congress and the Secretary of Housing and Urban Development* Aug. 1992), at App. B-1. It also set forth a four-part rating system for determining severe distress, which focused indicators of family distress, rates of serious crimes, barriers to management, and physical deterioration. *Id.* at App. B-2-10. In actually arriving at its estimate of the number of severely distressed units, the Commission used HUD modernization cost data and designated developments as severely distressed where their modernization needs exceeded 60 percent of HUD’s Total Development Cost (TDC) guidelines. *Id.* at 15. Section 24 of the U.S. Housing Act, the HOPE VI statute, sets forth a multi-part definition of “severe distress” that has much in common with the Commission’s four-part rating system. The definition was essentially unchanged by the 1998 amendment. *See* 42 U.S.C.A. § 1437v(j)(2) (West Supp. 2001); 42 U.S.C.A. § 1437v(h)(5) (West 1994). Finally, the HOPE VI Notices of Funding Availability (NOFAs) set forth a definition of “severe distress.” *See*, Notice of Funding Availability: Revitalization of Severely Distressed Public Housing (HOPE VI Revitalization and Demolition) Fiscal Year 2001, 66 Fed. Reg. 11,638, at IV(A)(1) (Feb. 26, 2001). Available at www.hud.gov/offices/pih/programs/ph/hope6/grants/fy01/nofa_01.pdf

¹⁹ Fred Brooks et. al., *Voucher Users and Revitalized Public-Housing Residents 6 Years After Displacement*, Research on Social Work Practice, 11 (2011).

²⁰ Rachelle Garbarine, *supra* n. 6.

²¹ *Id.* at 15.

²² Rachelle Garbarine, *supra* n. 6.

champions the fusion of varying classes and socioeconomic circumstances in order to holistically bolster pockets of communities in ways that benefit low, middle, *and* upper class populations.

““Mixed income” has been the mantra in public housing for nearly two decades, since the U.S. Department of Housing and Urban Development started paying local housing authorities to get rid of dense, run-down, crime-plagued “projects.””²³ This strategy is slated to be much more advantageous for public housing residents than traditional public housing was, as residents are finally able to reap the benefits of areas targeted for urban renewal. Under a mixed-income housing model (when implemented properly), public housing residents’ access to amenities (public transit, stable school systems, viable public spaces, grocery stores, etc) are greatly enhanced.

The mixed-income model is said by HUD and other supporters to have a number of benefits. The proximity to higher income households is said to “reduce the social pathology caused by the concentration of poverty suffered by public housing residents.”²⁴ This reduction in “social pathology” is said to occur because higher-income households serve as positive role models for lower-income residents.²⁵ The presence of higher income households is also supposed to increase the quality of housing, amenities, and municipal services for all members of the mixed-income community because these households are said to be more sophisticated and demanding consumers.²⁶ Finally, a mix of incomes is said to result in a healthier community and the building of human and social capital.”²⁷

In theory, this innovative housing strategy is a strong step in the right direction as low-income residents are seamlessly blended into the process of urban renewal rather than becoming victims of displacement as a cost associated with urban renewal. Historically, traditional public housing was suffering from widespread deterioration due to a lack of property maintenance, a lack of oversight, and an absence of a balanced citizenry – as far as income spreads are concerned. This deterioration quickly led to a depleted tax base for the areas concentrated with predominately low-income families and the country soon found itself infiltrated with thousands of dilapidated neighborhoods and underserved communities.

Mixed-income housing was an answer to these troubled neighborhoods. The general concept fueling this new model was the leveraging of funding from both the public and the private sectors to construct developments that contained roughly one-third public housing units, one-third tax credit units, and one-third market rate units. In efforts to avoid mass pockets of concentrated poverty, this revamped housing strategy was to

²³ Richard Lord, *Pittsburgh continues to invest in mixed-income housing: New federal program favors urban over suburban public housing*, Pitt. Post-Gaz., Oct. 23, 2011 (discussing the nationwide desire to choose urban over suburban, the goal of mixed-income to match this desire, and the unknown whereabouts of those who were displaced because of it).

²⁴ Paul C. Brophy and Rhonda N. Smith, *Mixed-Income Housing: Factors for Success*, Cityscape: A Journal of Policy Development and Research, Vol. 3, No. 2, 6-9 (1997). Available at www.huduser.org/periodicals/cityscpe/vol3num2/success.pdf

²⁵ *Id.*

²⁶ Jill Khadduri, *Deconcentration: What Do We Mean? What Do We Want?* Cityscape: A Journal of Policy Development and Research, Vol. 3, No. 21, 77-78 (2001).

²⁷ Arthur J. Napersek et al., *Hope VI: Community Building Makes a Difference*. The Urban Institute, Exh. 1.1 (Feb. 2000). Available at www.huduser.org/publications/pubasst/hope.html

unite the private sector with a variety of housing types that include but are not limited to public housing units.²⁸

Robert C. Elickson made an important observation when he noted:

“Mixed-income housing projects are unquestionably superior to the large ghettoized public housing structures that until recently blighted the most populous American cities. While the process of developing a mixed-income project is likely to give rise to more red tape per subsidized unit, a private mixed-income project is likely to endure longer than a public housing project and to be better managed and less socially troubled.”²⁹

Yet, as addressed in the next section, the flawed implementation of mixed-income developments severely undercut their overall effectiveness for and promise to the very people they were slated to benefit.

B. A suspect shift: traditional public housing to mixed-income housing.

As noted above, the mixed-income model is quite plausible in its overarching rationale and promise to populations without stable housing. If implemented properly, the model itself is a salient solution to many of the setbacks that have plagued the public housing landscape.

Its failure to benefit thousands of public housing residents, however, stems from the flawed ways in which it was implemented and the misleading information that was used to justify and expedite its existence. Beyond the failures stemming from implementation and information was HUD’s failure to track residents and maintain program accountability. As noted by the National Housing Law Project—a leading national not-for profit organization in the field:

“HOPE VI has been characterized by a lack of clear standards, a lack of hard data on program results, and misleading and contradictory statements made by HUD. HUD’s failure to provide comprehensive and accurate information about HOPE VI has created an environment in which misimpressions about the program and its basic purposes and outcomes have flourished --- often with encouragement from HUD. HOPE VI plays upon the public housing program’s unfairly negative reputation and an exaggerated sense of crisis about the state of public housing in general to justify a drastic model of large-scale family displacement and housing redevelopment that increasingly appears to do more harm than good.”³⁰

This poignant criticism, though harsh, underscores the damage that ensued from widespread demolition. Interestingly, this demolition of public housing throughout central

²⁸ Susan J. Popkin et al., *A Decade of Hope VI: Research Findings and Policy Challenges*, The Urban Institute, 13 (2004).

²⁹ Robert C. Elickson, *The False Promise of the Mixed-Income Housing Project*, 57 *UCLA Law Review* 983, 1019 (2010).

³⁰ The National Housing Law Project et al., *supra* n. 2, at i-ii.

cities across America ran parallel to the onset of “reversed” suburbanization.³¹ Though urban cores in the 1970s, 80s, and early 90s were characterized by the onset of “white flight,”³² this flee from central cities was reversed and replaced in the late 1990s with a desire to re-inhabit cities and recapture the essence of downtown, city-living. Many argue it is no coincidence that the strong desire to clear cities of concentrations of low-income pockets unfolded at the same time New Urbanism and the city-centric, urban-over-suburban trends commenced nationwide.

Moving forward, the following sections pinpoint eight specific shortcomings that undercut the ultimate success of mixed-income housing.

1. Misleading information

Under the Hope VI Program, government funds were used to demolish over 100,000 public housing units nationwide. Though there were public housing projects in need of restoration and/or demolition, housing advocates question and statistics invalidate the “dire nature of ramped distressed public housing” and the pressing need to spearhead widespread demolition. Commentary and press regarding the need for this widespread demolition inferred that *all* public housing was in a state of disrepair, leaving HUD and local PHAs with no choice but to undergo demolition.

Yet, the reality is as follows. The Department of Housing and Urban Development Reform Act of 1989 called for the creation of a National Commission on Severely Distressed Public Housing.³³ The Commission’s final report, issued in 1992, estimated that 6 percent (86,000 units of the total 1.4 million units) of the public housing stock was severely distressed.³⁴ Though the Commission noted the urgent state of the units that were deemed distressed, the report unequivocally concluded “the overwhelming majority of the stock was sound and continues to provide an important rental housing resource for many

³¹ New Urbanism and smart growth spurred reverse suburbanization; reverse sprawl. “Sprawl and suburb bashing has become so widespread that some suburbanites say they’re ashamed to acknowledge where they live.... The new in-town housing is attracting not only young singles, but also empty nesters and couples without children...[because] it’s cool; it’s eclectic.” Kathryn H. Tucker, *Saying Goodbye to the ‘Burbs: A Developer Heads Downtown*, N.Y.Times, March 5, 2000.

³² “White flight” is the term that has been given to the fleeing of Americans, generally white Americans, from central cities into the suburbs post World War II. This fleeing, said to have happened for a number of reasons (including racially-charged reasons), was detrimental on urban cores nationwide for a number of reasons. Namely, when “the middle-class whites flee and take their assets with them, that hurts the tax base tremendously.” Dean Baquet and Lovell Beaulieu, *Shift in racial balance called hard to reverse*, Times Pic., Apr. 15, 1984. “National census figures show that in 1950 few than 25 percent of the nation’s whites lived in the suburbs. By 1980, nearly half of all the country’s whites lived in suburban areas. Meanwhile, between 1950 and 1980, the percentage of blacks living in central cities increased by 17 percent. [In 1984], nearly 60 percent of the nation’s blacks live[d] in central cities, according to census figures.” *Id.* Suburbanization was also accelerated by the interventions of both the federal and state governments – namely the tax benefits of homeownership, the facilitation of financing home mortgages through the Federal Housing Administration, and the federal highway program. William Gorham and Nathan Glazer, *The Urban Predicament*, The Urban Institute, 26 (1976).

³³ Pub. L. No. 101-235, Tit. V (Dec. 15, 1989), codified at 12 U.S.C.A. § 1715z-1a note (West 2001). Available at www.thomas.loc.gov/

³⁴ National Commission on Severely Distressed Public Housing, *The Final Report of the National Commission on Severely Distressed Public Housing: A Report to the Congress and the Secretary of Housing and Urban Development*, 15 (Aug. 1992).

low-income families.”³⁵ Why, then, the need for widespread demolition? And why did this demolition need to take place in such an expedited fashion?

These housing projects operate as deeply interconnected communities that entail people and processes residents rely on every day. The interworking of a social support system is a vivid reality for this population.³⁶ Perhaps the transition to mixed-income housing *was* in the best interest of residents (assuming it was done properly), but the transition should have been slow, deliberate, transparent, and couched in a rationale that truthfully represented HUD’s underlying justification. To infer that all, or even the majority, of public housing projects were severely distressed was simply dishonest.

2. Failure to require one-for-one replacement

Hope VI did not provide for “one-for-one replacement”³⁷ in its innovative approach. One-for-one replacement requires that for every unit of public housing torn down, one unit would be replaced in the new mixed-income development. Not allowing for this critical replacement mechanism, also coined a right to return, resulted in only half of those public housing units being built back into the mixed-income developments that had taken the reigns nationally.

This was a damaging, and seemingly irreversible, flaw in the Hope VI program that leveled the critical mass of public housing – leaving thousands of individuals without the unit they called home and without a right to return to their community. Though some residents fought rigorously, and victoriously, for their right to return,³⁸ these fights were few and far between – namely due to the rapid pace of the transition and the lack of information and/or misleading information provided.

3. A depleted public housing stock.

Failing to fulfill its one-to-one commitment, local PHAs reduced its localities public housing stock. As mentioned above, most mixed-income housing developments are

³⁵ *Id.* at 2.

³⁶ “Earning about \$8,000 a year as a receptionist, [Lee-Lee Henderson] does not make enough to support her two children, so she has to rely on her neighbors and the local community. (Only about 10 percent of her neighbors work, and a similarly small percentage get less than \$10,000 a year through government public assistance.) In Robert Taylor [public housing], she lived with her mother, who was not on the lease but who provided her free childcare. Several local storeowners offered her credit when she ran out of money for food and household items. And, in her building, she bartered with friends, exchanging a few diapers for a cup of sugar. As she often says, “Poor people help poor people. They have no one else, so they know how to help each other get by.” Leaving Robert Taylor in 2002 meant saying goodbye to neglectful police and violent gangs, but it also meant leaving behind all of these invisible social supports.” Sudhir Venkatesh and Isil Celimli, *Tearing Down the Community*, National Housing Institute, Issue 138 (Nov/Dec 2004)

³⁷ One-for-one replacement is a requirement that was later adopted in the CNI program. *Infra*, Part VI.

³⁸ In 1996, a small group of residents who feared displacement at a North Beach public housing facility in San Francisco decided to fight back. Led by the Eviction Defense Network (EDN), the residents launched a three-year, door-to-door campaign of organizing and educating the tenants about the dangers of relocating under HOPE VI without the one-for-one requirement; without a right to return. More than 60 percent of the tenants signed pledges not to move until they had received a firm promise of a home to return to once their project was redeveloped. The San Francisco Housing Authority (SFHA), fearing that delays and failure to comply with HUD mandates would cause them to lose \$23 million in HOPE VI money, relented. The tenants were eventually offered an “Exit Contract” with legally binding guarantees – namely one-for-one replacement of all demolished low-income units and a limited number of reasons for disqualifying a tenant from re-occupancy. James Tracy, *HOPE VI Mixed-Income Projects Displace Poor People, Race, Poverty, and the Environment*. Available at <http://urbanhabitat.org/node/1811>

composed of roughly one-third public housing units, one-third tax credit units, and one-third market rate units. Yet by building back only one-third of the units as public housing units, the public housing stock in its entirety was substantially depleted. It was simple: in most cases, far more homes for public housing residents were torn down than were built.³⁹

There was a loss of over 140,000 public housing units in the twelve year period of 1995-2007.⁴⁰ This ties directly into the failure to require one-for-one replacement. “The HOPE VI program has resulted in the loss of tens of thousands of public housing units, thereby exacerbating a nationwide affordable housing shortage that HUD itself has documented. HUD’s justification for this reduction in affordable housing is [this] theory of mixed-income redevelopment, the basic validity of which has never been established.”⁴¹

What makes this depletion even more problematic is that HUD’s primary focus as far as spending is no longer centered on replenishing or constructing new public housing units. While almost all of HUD’s new spending in the 1970s and early 1980s was devoted to increasing the stock of housing through construction, rehabilitation, and rental assistance – the 21st century reality is dramatically different as “HUD’s spending is mostly for maintaining or improving the existing stock and renewing subsidy contracts.”⁴²

One of the most noteworthy examples of this devastating loss stems from the redevelopment of Atlanta’s historically prominent Techwood Housing Project⁴³ amidst the city’s preparation to host the 1996 Olympic crowd. As of 2006, the redeveloped “Olympic Village” contained a mere 300 available public housing units – down from 1100 public housing units that the original Techwood contained.⁴⁴

In Pittsburgh, Allequippa Terrace went from 1,749 units occupied entirely by poor families paying subsidized rents to 718 units at its redeveloped Oak Hill.⁴⁵ Of these 718 units, 243 were paying market rent.⁴⁶ As Richard Lord, a Pittsburgh journalist, observed:

“In most cases, far more homes were torn down than built... That means thousands of poor families once boarded by the authority have had to find other arrangements. [And] there's no good data about where those who didn't fit into the rebuilt communities ended up. That means that no one

³⁹ Lord, *supra* n. 23.

⁴⁰ Council of Large Public Housing Authorities, *Facts about Public Housing*, (2009), http://www.clpha.org/facts_about_public_housing

⁴¹ Tracy, *supra* n. 38, available at <http://urbanhabitat.org/node/1811>

⁴² Michael A. Stegman, *The Fall and Rise of Public Housing*, The Cato Institute, Summer of 2002, at 66.

⁴³ Atlanta’s Techwood Housing Project was the first completed federally funded public housing. In 1940, President Roosevelt stood in front of Techwood and said, “Within a very short time people who never before could get a decent roof over their heads will live here in reasonable comfort and healthful, worthwhile surroundings.” Archives of Carl Vinson Institute of Government, *Dedication of Techwood Homes*, University of Georgia, Atlanta, Nov. 29, 1935. In 1996, despite its special place in history, Techwood was the first to be demolished under HOPE VI to make room for the “Olympic Village.” Visitors to the Olympics were still able to walk through a virtual reality exhibit of Techwood, but without the “annoying” presence of its displaced tenants. Tracy, *supra* n. 38, available at <http://urbanhabitat.org/node/1811>

⁴⁴ *Id.*

⁴⁵ Lord, *supra* n. 23.

⁴⁶ *Id.*

really knows what the transformation of public housing communities has meant for a majority of their residents, including seniors dependent on social services and children whose education may have been interrupted.”⁴⁷

Lord’s observation was addressed not only to local endeavors in Pittsburgh, but also to the federal implementation of HOPE VI altogether.

Officials from HUD and local PHAs have responded to harsh criticism about the depleted public housing stock by suggesting that residents who did not return did so by “choice.”⁴⁸ Contradictory evidence, however, shows that they are priced out of new HOPE VI housing or otherwise excluded through heightened screening policies, extra-procedural means, or a general lack of unit availability.

4. Questionable incentives

Though public-private ventures are often lucrative, they also can be harbingers for skewed priorities and abuse of public spending. The public and private sectors are quite distinguishable and operate under distinctively different motives. Fusing the two sectors can be advantageous, but only when done responsibly and with caution. Diligent care and proper safeguards were circumvented with the implementation of mixed-income housing.

Partnerships with the private sector are advantageous for the federal government, as far as reducing costs are concerned.⁴⁹ According to HOPE VI proponents, the average annual direct costs were reduced by \$3.9 million for public housing units redeveloped as mixed-income housing.⁵⁰ Yet, the process may have gone a step too far. Urban land is now at a premium, given recent New Urbanism⁵¹ trends and a desire to reoccupy the city center. Slowly, the private arm of these public-private HOPE VI housing ventures have been privatized – as developers contracted to do the reconstruction usually gain partial ownership of the newly developed mixed-income housing.⁵² “So the poor [often] lose, as

⁴⁷ *Id.*

⁴⁸ Fred Brooks et al., *Voucher Users and Revitalized Public-Housing Residents 6 Years After Displacement*. Research on Social Work Practice, 11 (2011) (“Renee Glover, CEO of the Atlanta Housing Authority, does not view the low number of returning residents as a failure of HOPE VI, but rather, a success. According to Glover, residents choose to keep their vouchers rather than move back to the redeveloped units because they do not want to relive painful past experiences in public housing.”) U.S. Department of Housing and Urban Development. *HOPE VI: Building Communities, Transforming Lives*, 10 (Dec. 1999) (“Housing authorities today are moving aggressively to ensure that public housing residents relocating from HOPE VI sites during the redevelopment process are able to choose homes and the neighborhoods that suite their needs”).

⁴⁹ Tracy, *supra* n. 38, available at <http://urbanhabitat.org/node/1811>

⁵⁰ Margery A. Turner et al., *Estimating the Public Costs of HOPE VI Investments: Methodological Report*, The Urban Institute, 2-3 (June, 2007). Available at http://www.urban.org/UploadedPDF/411497_cost_benefits_hope_VI.pdf

⁵¹ New Urbanism promotes the creation and restoration of diverse, walkable, compact, vibrant, mixed-use communities composed of the same components as conventional development, but assembled in a more integrated fashion, in the form of complete communities. For a video on New Urbanism, see “*Built to Last*” put together by the Congress for New Urbanism, http://www.youtube.com/watch?v=VGJt_YXI0JI

⁵² Tracy, *supra* n. 38, available at <http://urbanhabitat.org/node/1811>

corporations, such as McCormack Baron, Sun America, and Bridge Housing Developers make immense profit.⁵³

Despite both the realized and potential advantages of this revamped housing strategy in its merging with the private sector, the core objective of serving low and very low income populations while safeguarding residents' rights and well being are threatened by alternative objectives – such as turning a profit and gentrifying communities.

This is exemplified by numerous decisions, including the actual site locales of the redeveloped projects. In the mid 1990s, federal auditors found that HOPE VI increasingly appeared to target *not* the most severely distressed public housing, but those sites that are most amenable to higher income development.⁵⁴ Though the commentary of HUD and other entities honed in on high-rise public housing developments and the urgent problems posed by these sites,⁵⁵ the data reveals that “relatively few HOPE VI awards have been made to high-rise sites. Among the 34 awards made during the first three annual grant cycles, only seven were for high-rise developments.”⁵⁶

5. Absence of long term clauses mandating the ratio of public housing units

Many of the developments constructed under HOPE VI did not contain a clause that mandated the one-third ratio of public housing units be maintained throughout the life of the project. Meaning that developers were required to *initially* allocate one-third of the units as public housing units, yet they were not required to *maintain* that specific allocation. As a result, many projects (Centennial Place in downtown Atlanta, for example) phased out the public housing units over time and have since shifted those units into the private market.

In turn, housing developments that were funded largely by the federal government are currently operating predominately in the private market. And the displacement of so many public housing residents presents direct evidence of how the goals of the public and private sectors do not always overlap.

⁵³ *Id.*

⁵⁴ The National Housing Law Project et al., *supra* n. 2, at 6-7.

⁵⁵ The HUD 2002-2006 Strategic Plan stated “[t]he high-rise public housing developments constructed in the 1960s are being redeveloped into mixed-income communities through the HOPE VI program.” U.S. Department of Housing and Urban Development, *FY 2000-2006 Strategic Plan*, 43 (Sept. 2000). The Innovations in American Government Program described HOPE VI as a move away from “isolating the poorest urban residents in stand alone high-rise enclaves.” Institute for Government Innovation, 2000 Winner, U.S. Department of Housing and Urban Development, *Mixed-Finance Public Housing* (2000) (announcing HOPE VI program as the winner of a 2000 Innovations in American Government award from the Harvard Kennedy School of Government). The Millennial Housing Commission’s recently published report described “[t]he existence of large, generally high-rise, urban public housing developments — many of which are now being replaced by mixed-income developments under the HOPE VI program.” Millennial Housing Commission, *Meeting Our Nation’s Housing Challenges: Report of the Bipartisan Millennial Housing Commission Appointed by the Congress of the United States*, 98, App. 3 (May 30, 2002). Available at www.mhc.gov/mhcfinal.pdf (further stating that these high-rise sites have “generally obscured the fact that most public housing is in smaller developments that do not share the problems generally associated with the high-rise, high-density units”). Others have also described HOPE VI as a program that focused initially on high-rise sites. See Harry J. Wexler, *HOPE VI: Market Means/ Public Ends - The Goals, Strategies, and Midterm Lessons of HUD’s Urban Revitalization Demonstration Program*, *Journal of Affordable Housing*, 195 (Spring 2001) (“From the start, dispersing the poorest public housing residents and downsizing large high-rise projects was a goal of HOPE VI, but it soon became the first step in a more ambitious plan to replace the projects altogether with attractively designed mixed income housing communities.”).

⁵⁶ The National Housing Law Project et al., *supra* n. 2, at 8.

6. Failure to safeguard against gentrification

Beyond the design and implementation of mixed-income housing is the *impact* it is having on the immediate and surrounding areas of the developments themselves. Generally speaking, mixed-income housing is having a gentrifying impact.⁵⁷ But the problem with this particular brand of gentrification is twofold: one, it is federally funded. And two, it is pitched as a process that will *benefit* the families who reside in the communities that are revitalized. Gentrification fueled by the private sector, though still undesirable, is notably different than gentrification sanctioned by those who are tasked with serving the low-income population.

Mixed-income projects, in many ways, have been a grand success as far as overall product and effect on property values. They are both architecturally sound and aesthetically pleasing – and have proven to be quite lucrative for private developers. They are typically the impetus for the transformation of central city neighborhoods in their entirety. Upon redevelopment and over the course of a few years, a number of amenities are rejuvenated – including but not limited to the local tax base, the school systems, the transportation systems, and the overall supply of sound public services.

Though mixed-income development as a form of urban renewal is desirable, it is troubling that a federally funded program fails to account for the inevitable spikes in property values and increased cost of living in the immediate and surrounding areas. Without taking account of and safeguarding against these threats, these communities become rapidly unattainable for the people who inhabited them prior to the redevelopment. This is the population who was promised to benefit from a publicly fueled venture to enhance life for *all* income echelons.

Lawrence Campbell, a former resident of Lexington Terrace in Baltimore, speaks eloquently about the exclusionary effect gentrification had on thousands of public housing residents across the United States. He describes that “[the public housing commissioner] told us to dream, dream about what this neighborhood could be. But what he didn’t tell us... was that the dream meant we wouldn’t be included.”⁵⁸ Mr. Campbell, and thousands of others, are the people who were “sold” on these projects that promised to transform areas and allow for more balanced access to amenities, transport, and education.

Quite a different picture would be painted if mixed-income developments were purely private. Private forces exist for a reason and can engage in the transformation, and subsequent gentrification, of areas in any way they choose. But it is critical to understand not only that millions of *public* dollars are being spent to fuel these projects,⁵⁹ but also to remember that this method of mixed-income housing is one of only two remaining methods of public housing in the country. Mixed-income housing and Section 8 housing vouchers⁶⁰ are the predominate forms of federal housing programs in the United

⁵⁷ Gentrification is the buying and renovation of houses and stores in deteriorated neighborhoods that often improves property values but often displacing low-income families and small businesses. Emily H. Turner, *Housing for Inclusion: Ending the Trend of Gentrification*, YouTube MPA Contest, June 14, 2008.

⁵⁸ Walter F. Roche, Jr., *Housing Reform’s Victims*. The Balt. Sun, September 24, 2001, at A1, A4.

⁵⁹ See e.g., Iberville in New Orleans was recently granted \$35 million from HUD on its new mixed-income venture. Katy Reckdahl, *The Iberville housing complex is set to get \$589 million renovation*, The Times Pic., July 4, 2011. Available at

http://www.nola.com/politics/index.ssf/2011/07/the_iberville_housing_complex.html

⁶⁰ Unlike the public housing program, which subsidizes the construction and operation of housing developments for the poor, the Section 8 tenant-based program supplements what very low income families

States. It is concerning to see such programs operating as a gentrifying force in communities throughout the country. This may have not been the plan, but this is currently the result.

7. Heightened resident screening; lack of meaningful resident involvement.

Thousands of former public housing residents were prevented from returning to revitalized mixed-income sites due to heightened screening criteria.⁶¹ In most cases, PHAs would only allow residents in “good standing” the option of returning to revitalized sites.⁶² The problem is that “good standing” has no formal or official definition. “In practice, the term can mean whatever a public housing authority chooses it to mean.”⁶³

“According to HUD, most PHAs apply admissions criteria for HOPE VI sites that are much more stringent than those they normally use. Former residents, who might have complied with public housing occupancy policies for years, have been prevented from returning to HOPE VI sites because of inadequate credit histories.”⁶⁴

Mixed-income housing has also been problematic in its lack of meaningful resident involvement. “While HUD’s HOPE VI policies appear to be very supportive of resident and community participation on their face, HUD has provided few mechanisms to allow public housing residents and other community members actually to enforce these policies. One of the main reasons for this is that HUD has never issued regulations for the HOPE VI program. Instead of regulations, HUD administered the HOPE VI program primarily through NOFAs (Revitalization Notice of Funds Availability) and grant agreements - and by sub-regulatory “guidances” and “work plans” in recent years, some of which exist only in “draft” form.”⁶⁵

8. A streamlined process under 24 CFR 970.

Arguably the most disconcerting component associated with the shift to mixed-income housing was a provision added to the Code of Federal Regulations in October of 2006. This provision “streamlined” the process of public housing demolitions and dispositions - allowing public housing authorities to circumvent the majority of documentation that would otherwise be required for such a transition.⁶⁶ “HUD...

and individuals can afford to pay for housing in the private market. Thus, tenant-based assistance enables recipients to choose moderately priced housing of the type and in the location that best meets their needs. Margery A. Turner et al., *Section 8 Mobility and Neighborhood Health: Emerging Issues and Policy Challenges*, The Urban Institute: Symposium on Section 8 Mobility, 8-9 (October 26, 1999). Available at http://www.urban.org/uploadedpdf/sec8_mobility.pdf

⁶¹ The National Housing Law Project et. al., *supra* n.2, at 25.

⁶² U.S. Department of Housing and Urban Development, *Relocation and Expanding Opportunities for Public Housing Residents: Draft Recommendations on Relocation Guidance for the HOPE VI Program*, 4 (Nov. 2000), available on-line at www.housingresearch.org/hrf/hrf_RefLib.nsf/320d38b6b455f6fb8525699a005e0617/a7cb68f55a0598728525699a005e509f?OpenDocument

⁶³ HUD has provided almost no specific information or figures on PHAs’ actual admissions practices. It is possible, given the elasticity of the term, that some or many PHAs make “good standing” determinations for readmission eligibility on an ad hoc basis without clear or consistently applied standards.

⁶⁴ The National Housing Law Project et. al., *supra* n.2, at 25.

⁶⁵ *Id.* at 18.

⁶⁶ U.S. Department of Housing and Urban Development, *Streamlined Processing for Dispositions in support of Mixed-Finance Housing developed pursuant to 24 CFR 941, subpart F*, (2006). Available at <http://www.clackamas.us/docs/hacc/feasibility/10b.pdf>

determined that much of the documentation that PHAs [were] required to submit under the normal Section 18⁶⁷ disposition process [were] not required. Instead, the PHA need[ed] to submit only a limited number of the application documentation normally required, so long as it also submit[ed] certification [of compliance with Section 18] to the SAC.⁶⁸

Specifically, Public Housing Authorities were not required to submit the following documentation required by 24 CFR 970:

- (1) A statement justifying the disposition;
- (2) A relocation plan; [emphasis added]
- (3) A description with supporting evidence of the PHA's consultations with residents, resident organizations, and the Resident Advisory Board; [emphasis added]
- (4) Evidence of an offer of sale of the development to the residents; [emphasis added]
- (5) A description of the method of disposition of the property; [emphasis added]
- (6) An estimate of the Fair Market Value (via appraisal or other means) of the property, or, if the disposition is a negotiated sale at less than FMV, a showing of commensurate public benefit (or showing that the disposition would be in the best interests of the PHA);
- (7) If relocation is required, an estimate of the costs of any required relocation housing, moving costs, and counseling; [emphasis added]
- (8) A copy of a resolution by the PHA's Board of Commissioners approving the disposition application;
- (9) Evidence that the application was developed in consultation with the appropriate local government officials.⁶⁹

This provision streamlines a process that should have seemingly been undertaken slowly and deliberately. As HUD noted, "the SAC intends to process these disposition applications under a "streamlined" review process to verify the PHA is in compliance with the requirements of Section 18 of the Act."⁷⁰ One could certainly argue that this was a red flag as far as staying true to a process established to safeguard against hasty and/or hazardous practices.

Though the demolitions and dispositions were *technically* still subject to Section 18 of the Housing Act, HUD was the agency slated to keep PHAs in check throughout the process of demolition and subsequent transition to mixed-income housing. Meaning *in effect*, HUD's streamlining was a green light for PHAs to forgo the aforementioned requirements.

It is understood by most that the government, too, needs to engage in fiscal tradeoffs every once in a while. In other words, there are times the government needs to

⁶⁷ Section 18 of the United States Housing Act of 1937, Pub. L. 93-383, 88 Stat. 653 (codified as amended at 42 U.S.C. 1437 et. seq.) as it was amended by the Quality Housing and Work Responsibility Act of 1998, Pub. L. 105-276, 112 Stat. 2518 (enacted October 21, 1998). Available at <http://www.hud.gov/offices/ogc/usha1937.pdf>

⁶⁸ U.S. Department of Housing and Urban Development, *supra* n. 66, available at <http://www.clackamas.us/docs/hacc/feasibility/10b.pdf>

⁶⁹ U.S. Department of Housing and Urban Development, *supra* n. 67.

⁷⁰ *Id.*

undertake a few high-end deals in order to cover for their low-end undertakings. Anyone who owns a business, regardless of whether it is small scale or large scale, public or private, understands this relatively simple concept. Yet the element of “risk” as far as the government is concerned is simply different than that of the private sector – and it can certainly be argued that low-income deals (so long as they are consistently and properly implemented) are no more risky than “sure” deals or high-end deals with regard to government investments.

Furthermore, if HUD is going to undertake high-end deals for the reason of “balancing their books,” they *must* be honest with the public in doing so. Nothing angers (or scares) people more than change done in haste and/or change undertaken without transparency; change undertaken in response to misleading or incomplete information.

C. Choice Neighborhood Initiative (CSI)

HUD has taken commendable steps in remedying several of the shortcomings stemming from HOPE VI. The Choice Neighborhoods Initiative (hereinafter CSI), launched in 2010, is a revamped version of the Hope VI mixed-income housing strategy. As stated in a HUD newsletter, “Choice Neighborhoods incorporates insight gained from HOPE VI and recognizes the importance of reaching beyond a public housing redevelopment strategy to one of neighborhood transformation.”⁷¹

The most notable correction undertaken by CSI is its mandate requiring one-for-one replacement. Grants between HUD and the PHAs under CSI also require (rather than “encourage”) resident participation throughout all phases of the redevelopment while providing a host of social services that tracks residents’ whereabouts along with their well being.

Yet “[m]ost of the biggest developments, including the great majority of large high rises, have been demolished.”⁷² In other words, CSI – though commendable – comes at a time when the transition of concentrated public housing to mixed-income housing has already taken place in urban cores nationwide. Very few remaining public housing projects located in central city areas will benefit from the necessary changes made to the mixed-income framework.

Beyond this “too little, too late” reality, there remains fundamental shortcomings with this restructured initiative. Like the HOPE VI program, CSI does not integrate any safeguards against gentrification. Precautionary measures to guard against this type of displacement could be achieved in a number of ways – including rent stabilization⁷³ or locally-based ordinances requiring property taxes be based on one’s income rather than property values.

CSI, again like HOPE VI, fails to ensure public housing unit allocations remain constant over the life of each revitalized project. Thus, it is difficult to determine how long

⁷¹ U.S. Department of Housing and Urban Development, *Choice Neighborhoods: History and HOPE*, Transforming Knowledge Into Housing and Community Development Policy, 3 (2011). Available at http://www.huduser.org/portal/periodicals/em/EM-newsletter_FNL_web.pdf

⁷² Barbara Sard and Will Fischer, *supra* n. 4, at 6.

⁷³ Adam Liptak, *U.S. Supreme Court Declines to Hear Suit Challenging the Rent Stabilization Law*, N.Y. Times, Apr. 24, 2010. Available at <http://www.post-gazette.com/stories/news/us/us-supreme-courtdeclines-to-hear-suit-challenging-the-rent-stabilization-law-632882/> (Rent stabilization is a milder version of rent control, which was upheld by the Supreme Court in 1998. In attempts to stabilize rents, “the government sets maximum permissible rent increases and generally allows tenants to renew their leases indefinitely.”)

public housing units will actually be available in these mixed-income communities once the developments themselves are up and running.

III. Denver Public Housing Authority's Quigg Newton Housing

As mentioned earlier in this analysis, the fate of HOPE VI revitalizations did not stem solely from HUD and the agency's regulations. A great deal of discretion was given to PHAs to achieve optimal outcomes. Generally speaking, HUD, as a Cabinet-level federal agency, is appropriated funds which are formulaically allocated to PHAs.⁷⁴ These PHAs then establish, maintain, and operate the public housing developments. This process was no different for the implementation of HOPE VI revitalizations. Mixed-income housing successes (with regard to its inclusion of previous public housing residents) fluctuate greatly depending on geographic location and that location's local housing authority.

The Denver Housing Authority (hereinafter DHA) is an exemplary illustration of how critical PHAs were to the success (or lack thereof) of HOPE VI projects. Quigg Newton Homes in Denver, Colorado, is one of the only HOPE VI sites where the original development was rehabilitated rather than demolished.⁷⁵ The stock of public housing units were preserved and revitalized rather than torn down and replaced with tax credit and/or market rate units.⁷⁶ Many of those who questioned the contention that projects were "too distressed" for rehabilitation felt strongly that rehabbing original units was a much more viable and tenant-friendly solution. DHA felt this type of rehabilitation was a sound method as well.

Of 400 total public housing units, Quigg Newton lost only 20 as it underwent revitalization. These 20 units were cleared to make room for a community center, which the DHA felt would provide a critical nucleus for its public housing residents. In addition to a community center, the DHA used its HUD funds to establish a "robust array of supportive services" at the site itself.⁷⁷ Services included after school programs for children, skills training, and self-help workshops. These decisions speak to the commitment the DHA had to the Quigg Newton residents and their development as healthy, productive stewards of their community.

Quigg Newton was awarded \$26 million from HUD for this particular project. This was one of the only HOPE VI projects in the country that spearheaded a revitalization effort that was limited to the property itself and did not include any off-site development.⁷⁸

"DHA's goals for Quigg Newton were to provide both comprehensive physical improvements and coordinated and sustained supportive services. On the physical side, the units were gutted and remodeled, but the size of the units and footprint of the buildings were unchanged. All received new kitchens, reconfigured to allow room for a table and chairs. Vanities, sinks, and tub surrounds were replaced in all bathrooms, and walls were repaired and repainted. The DHA also updated the electrical, heating, and plumbing

⁷⁴ Congressional Budget Office, Economic and Budget Issue Brief: An Overview of Federal Support For Housing (2009), at 6. Available at <http://www.cbo.gov/publication/41219>

⁷⁵ Larry Buron, et al., *supra* n. 8, at 23.

⁷⁶ *Id.*

⁷⁷ *Id.*, at 12

⁷⁸ *Id.*

systems, replaced water mains, and added amenities such as playgrounds, individual patios for each unit, new concrete walks, and wrought-iron fencing.”⁷⁹

This revitalization effort speaks both to the DHAs priorities and its overall effectiveness as an industrious housing authority. DHA, which oversaw the revitalization of the site, is a well-managed housing authority, with perfect scores of 100 on HUD’s rating systems for the public housing program.⁸⁰ Their well-orchestrated operations, in turn, fueled their ability to establish a relocation plan was genuinely geared towards the best interests of the residents:

“DHA planned the construction effort to minimize disruption for residents. The housing authority set aside a number of units to serve as temporary housing, and groups of families moved to these units for periods of between 8 to 12 weeks while their units were being renovated. The process was staggered, so that 5 to 10 families moved each week. The first group of residents was relocated in October 1995, and the entire process continued through the beginning of 2000. Only 18 households moved outside the development as part of the relocation effort.”⁸¹

Because there was so little demolition at Quigg Newton, and the rehabilitation was completed in phases, most residents could be relocated within the development and were able to move back to their rehabilitated unit within two to three months.⁸² In addition, no new screening procedures were implemented at Quigg Newton. Original residents were not re-screened, and new applicants for units were subject only to DHA’s general policy requiring criminal background and credit checks.⁸³

Denver’s efforts at Quigg Newton are presented here to illustrate alternative ways that HOPE VI monies could have been put to use. Their efforts are also presented as a vehicle for questioning how to *most effectively* serve our nation’s public housing population.

The mixed-income housing model is centered on revitalizing pockets of a city by blending varying socioeconomic strata while leveraging funds from the private sector. Though proven to be effective as far as urban renewal is concerned, this model comes at the cost of public housing residents who are denied the opportunity to benefit from this renewal.

DHA, on the other hand, used the same HOPE VI monies they were allocated to develop a project-based model in which the vast majority of funds went directly to serving the original public housing residents it housed.

IV. Conclusion

In moving forward with federal low-income housing initiatives, it is prudent to analyze past techniques in order to inform those undertaken in the future. This critique

⁷⁹ *Id.*

⁸⁰ *Id.*

⁸¹ *Id.*, at 13.

⁸² *Id.*

⁸³ *Id.*

highlights a series of setbacks that have surfaced over the past two decades as our nation has attempted to correct the numerous shortcomings of the public housing framework. The purpose of this critique is not to undermine federal housing initiatives or the local PHAs who implement them, but rather to explore the flaws that have blunted overall progress.

In the transition to mixed-income housing under HOPE VI (and later CSI), studies have uncovered that only 14 percent of public housing residents are now residing at revitalized developments; 14 percent are *actually* benefiting from the mixed-income site and its surrounding amenities. Tammy Cowart, a public housing resident, commented on this reality by stating that “[mixed-income housing entails] a whole new world. It’s much better living – but better only for those who get in.”⁸⁴ Regrettably, “those who get in” are far from the overwhelming majority – but better described as the overwhelming minority.

Housing advocates across the country, such the National Low-Income Housing Coalition’s chairman George Moses, continue to ask, “[f]or those that don’t get it...where do they go?”⁸⁵

The mixed-income housing approach *has* been a success for many low-income individuals and families. There are numerous reports that address the successes associated with HOPE VI (and its successor, CSI). What this analysis underscores, however, is the population this strategy *failed* to assist. There is credence to the comment that “[w]hile it was intended to be a solution to severely distressed public housing, HOPE VI has been the source of new problems as serious as those it was created to address.”⁸⁶

Federal aid is limited and facing even further cutbacks as we move forward amidst economically challenged times. This aid is imperative for serving our most vulnerable populations. Now, perhaps more than ever before, we must insist federal dollars are directed towards those they are targeted to serve.

⁸⁴ Rick Jervis, *New Orleans unveils fresh model for housing the poor*, USA Today, Aug. 3, 2011. . Available at http://www.usatoday.com/news/nation/2011-08-03-New-Orleans-publichousing--rebuild-experiment_n.htm

⁸⁵ Lord, *supra* n. 23.

⁸⁶ *Id.* at i-ii.