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# THEORIES OF URBAN POVERTY AND IMPLICATIONS FOR PUBLIC HOUSING POLICY

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*Urban poverty has been the subject of sociological and political debate for more than a century. In this article I examine theories of urban poverty and their place in American housing policy. I first discuss theories that have arisen out of the sociological and policy discourse on urban poverty and the research that supports and challenges these theories. I then review current public housing initiatives and discuss the impact of these theories on current housing policy.*

*Keywords: urban poverty, sociological theory, poverty concentration, neighborhood effects, housing policy, HOPE VI*

Urban poverty has been the subject of sociological and political debate for more than a century. The debate over the causes, consequences, and solutions to poverty has gained renewed interest and significance in recent decades due to the dramatic concentration of urban poverty. Since the mid-1960's, poverty has become more concentrated in inner-city neighborhoods across the nation and has had the greatest impact on the black urban poor. For example, between 1970 and 1980 alone, the poor black population living in extreme poverty areas increased by 164 percent, while the increase was only 24 percent for poor whites (Wilson, 1987). The increase in poverty concentration has coincided with a dramatic increase in joblessness, female-headed households, welfare dependency, out-of-wedlock births, segregation, and crime.

## Early Theories of Urban Poverty

Urban ecological theory, which dominated in the United States in the early 1900s, analyzed cities through a human ecology

lens and saw poor urban neighborhoods as transitional and functional zones of larger urban metropolises; places where new immigrant groups would pass through for a temporary period of time (Park & Burgess, 1925). Other ecological theorists examined the disorganized nature of cities and the negative effects of social disorganization in certain poor neighborhoods (Wirth, 1938; Shaw & McKay, 1942). The traditional urban ecological perspective has been denounced for not recognizing the permanent nature of many poor black neighborhoods and for ignoring factors other than market forces that can shape the movement of groups and land use (Sampson & Morenoff, 1997).

Another influential theory was the "culture of poverty", which suggested that the norms and behaviors of the poor can be distinguished as a subculture of larger society and characterized by a distinct way of life, including an atypical worldview and low aspirations (Lewis, 1968; Moynihan, 1965). This culture was said to perpetuate itself from generation to generation. The culture of poverty thesis has been widely criticized for being too deterministic, blaming the victim, and diverting attention away from the structural causes of poverty. Another perspective suggested that welfare policies were to blame for the disintegration of the urban black family by offering disincentives for work and marriage (Murray, 1984). Although influential, this perspective has been discounted with evidence that shows welfare rates rose even when the relative advantage of work at a minimum wage job outweighed that of welfare income (Wilson, 1987).

### Social Isolation and Concentration Effects

Perhaps more influential than any other previous work on urban poverty is William Julius Wilson's thesis in *The Truly Disadvantaged* (1987). Wilson maintains that two key factors best explain why the social conditions of the "urban underclass" deteriorated so rapidly since the mid-1960's: changes in the structure of the economy and changes in the social composition of inner-city neighborhoods. Wilson argues that major shifts in the structure of the American economy, including the suburbanization of jobs and the decreasing demand for low-skilled labor, contributed to a downward spiral for urban blacks (1987, 1996). At the same time

jobs were relocating away and the economic base shifted from manufacturing to the service sector, more jobs began requiring formal education and credentials that many inner-city residents lacked.

Coinciding with the major economic shifts that led to increased joblessness were significant changes in the socioeconomic makeup of urban residents. From the 1940's to the 1960's, inner-city neighborhoods were integrated with lower, working, and middle-class black families. In the 1970's and 1980's, however, middle-class, and eventually working-class blacks, moved out of the inner-city, leaving the most disadvantaged residents behind—the group Wilson labels the *underclass*. Wilson also argues that changes in the age structure of urban neighborhoods contributed to the increase in social problems. Between 1960 and 1970, the number of inner-city blacks aged 14 to 24 increased by 78 percent (while only 23 percent for whites) (1987, p. 36).

Essentially, the removal of entry-level jobs from the inner-city compounded with the removal of middle-class blacks to produce the devastating and isolating effects of concentrated poverty. Wilson suggests that as time went on, poor residents became increasingly isolated from informal job networks, working role models, mainstream institutions, and mainstream patterns of behavior. Middle and working-class families were important for these communities because they enhanced stability and social organization by sustaining the basic community institutions (such as schools, churches, and businesses) and reinforcing societal norms and values pertaining to employment, education, and family structure. Thus, Wilson argues, urban communities today are suffering from *concentration effects*—the effects of concentrated neighborhood poverty on individual residents. Neighborhood concentration effects are at the heart of Wilson's thesis in *The Truly Disadvantaged*, where he provides a compelling argument that neighborhood poverty affects individual level outcomes, independent of individual and family characteristics.

### Residential Segregation and Discrimination

Although Wilson's thesis has been very powerful, other theories of urban poverty remain influential as well. Several

emphasize the role discrimination plays in limiting the employment, educational, and housing opportunities for poor, urban, minority families (Massey & Denton, 1993; Leventhal et al, 1997; Sampson & Morenoff, 1997). In their book *American Apartheid* (1993), Massey and Denton argue that racism and residential segregation are the key factors that explain the increase in concentrated poverty and the plight of the black urban poor. They argue that the changes in the economy during the 1970's, which Wilson suggests led to the increase in urban poverty, concentrated the economic shock in black neighborhoods precisely because of residential segregation. Thus, if there were no segregation, the effects of any increase in black poverty would be spread throughout the entire community. With severe segregation, any increase in black poverty is absorbed entirely by black neighborhoods, altering the environment in which blacks live.

Massey and Denton provide a stunning account of America's history of segregation and document how "the black ghetto was constructed through a series of well-defined institutional practices, private behaviors, and public policies by which whites sought to contain growing urban black populations" (p. 10). They argue that white America has systematically put up barriers to black spatial mobility, which essentially confined blacks to disadvantaged neighborhoods. The authors analyze how federal housing policy contributed significantly to the disinvestment in black urban neighborhoods and the expansion of the suburbs for white America. In addition, locating public housing projects in predominantly poor black communities further increased the poverty concentration in urban areas (Massey & Denton, 1993; Leventhal et al., 1997).

Despite the Fair Housing Act of 1968, residential segregation persisted through the 1970s and 1980s. In 1980, blacks in 16 metropolitan areas were *hypersegregated*, meaning these cities scored very high on at least four of five dimensions of segregation (Massey & Denton, 1993). Massey and Denton point out that blacks living in hypersegregated areas are especially socially isolated because they are unlikely to have contact with others unless they work outside of the ghetto. Given the rates of black joblessness, it is unlikely that a large portion of these residents have any meaningful contact with the larger society.

Massey and Denton's theory has been criticized for overstating the role of racial discrimination in causing urban poverty. Wilson suggests that "... people who argue that current racial bias is the major cause of the deteriorating economic plight of the black poor fail to recognize how the fate of poor blacks is inextricably connected with the structure and functioning of the modern American economy" (1987, p. 134). Further, Wilson says his thesis

... cannot be reduced to the easy explanations of racism advanced by those on the left, or of 'culture of poverty' posited by those on the right. Although historic racism created the ghetto and although contemporary discrimination has undoubtedly aggravated the economic and social woes of its residents, an adequate understanding of the sharp increase in these problems requires the specification of a complex web of additional factors, including the impact of shifts in the modern American economy. (2003, p.101)

Nevertheless, while theorists will continue to debate the causes of the increase in concentrated urban poverty, the one thing they do seem to agree on is that neighborhood *matters*. In fact, it has become generally accepted that neighborhood poverty, as opposed to just family poverty, can play an important role in child and family outcomes (Brown & Richman, 1997; Leventhal et al., 1997). Largely as a result of Wilson's work, a new wave of research began focusing on *neighborhood effects*—the effects of living in extremely poor neighborhoods.

### Neighborhood Effects

The 1980's and 1990's experienced a boom in studying neighborhood effects and rethinking theories of urban poverty. This multidisciplinary research has looked into the relationship between neighborhood effects and unemployment (Massey et al, 1991), school dropouts (Brooks-Gunn et al, 1993), crime (Sampson et al., 1997), and teen pregnancy (Coulton & Pandey, 1992). Most studies, however, have been unable to draw causal links between neighborhood effects and life chances (Small & Newman, 2001). There are also several methodological problems with many of these studies, including inconsistencies and disagreements over the definitions and measures of neighborhood and

disadvantage (Brown & Richman, 1997; Small & Newman, 2001). Despite these drawbacks, there have been several important studies suggesting that neighborhood poverty affects child development (Brooks-Gunn et al, 1993; Chase-Linsdale et al, 1997), adolescent achievement (Brooks-Gunn et al, 1993; Duncan, 1994), delinquency (Peeples & Loeber, 1994), and parenting practices (Klebanov et al, 1994).

While it is evident that neighborhoods with high concentrations of poor residents experience more social problems than higher income communities, the factors that account for this correlation remain unclear (Briggs, 1998; Brown & Richman, 1997; Small & Newman, 2001). A number of theories have been formulated, many of which build off Wilson's theory of concentration effects, including hypotheses about collective efficacy, collective socialization, contagion effects, and social capital (Small & Newman, 2001). For example, a collective efficacy model has been used to explain neighborhood effects on crime and delinquency. Collective efficacy refers to the social cohesion among residents and their shared expectations and has been measured by residents' willingness to intervene in supervising neighborhood children, their involvement in voluntary associations, and the density of their social networks (Small & Newman, 2001). Sampson et al. (1997) found that neighborhoods with high levels of collective efficacy and social organization had lower crime rates, regardless of their poverty level. In addition, concentrated poverty and increases in poverty from 1970–1990 predicted low collective efficacy in residents in 1995 (Sampson & Morenoff, 2004). It has been argued that structurally disorganized neighborhoods that have high levels of poverty, distrust, and instability undermine a community's ability to realize its common values, resulting in cultural disorganization (Sampson & Morenoff, 1997). Collective efficacy research has focused on the structural dimensions of community organization, including social networks, informal social control, the organization of neighborhood institutions, and residential stability.

Neighborhoods can also affect children indirectly by affecting parenting practices and family functioning. The stress of living in unsafe poor neighborhoods can affect parental practices, in addition to community socialization. Effective parenting practices can be undermined by the practices of the majority of

the parents in the community (Leventhal et al, 1997). Collective socialization theory suggests that neighborhoods indirectly affect children by influencing the presence of successful adult role models and supervision (Small & Newman, 2001). The theory argues that children growing up in high poverty communities with few successful adult role models will have low expectations of themselves. One study found that children's IQ scores were positively associated with the presence of wealthy neighbors, regardless of family characteristics (Chase-Lansdale et al, 1997). This finding could be indicative of the effects of greater social organization, role modeling, and adult supervision; or the effects of better funded schools, or some combination of these factors.

Another way that neighborhoods may affect children is through contagion effects, which are said to operate through peer influences on children's behavior. Children growing up in poor urban neighborhoods are exposed to street norms as well as conventional norms. The more opportunities to attain conventional goals are strained, the more likely it is that children will be drawn to street norms, which are often opposed to mainstream culture (Leventhal et al., 1997; Small & Newman, 2001).

One mechanism that has gained a great deal of attention in recent years to explain how neighborhoods affect residents' wellbeing is social capital. Research has shown that people who live in heterogeneous neighborhoods tend to have greater human capital (education and earning power) as well as greater *social capital*, which is important for peoples' life chances and mobility prospects (Putnam, 2000). Robert Putnam defines social capital as "the connections among individuals—social networks and the norms of reciprocity and trustworthiness that arise from them" (2000, p.19). Thus, social capital exists in the structure of relationships and helps individuals and groups achieve goals (Coleman, 1988). Xavier de Souza Briggs (1998) conceptualizes social capital as having two dimensions. One element is made up of the social ties that provide us with social support and help us *get by* in life. The other element is made up of the ties that act as social bridges and provide us with leverage to help us *get ahead* in life.

Some researchers suggest that a lack of social capital amidst poor inner-city residents perpetuates poverty, welfare dependency, and crime. Much of this social capital and social network research is grounded in Wilson's theory. Several studies have



shown that poor urban residents often have insular and localized social networks that offer little opportunity for advancement (Tiggs, et al., 1998; Wacquant & Wilson, 1989; Wilson, 1987, 1996). In effect, such residents are isolated from the social capital of mainstream society. Yet, another set of studies have found that rich social networks *do* exist in low-income communities and that these kin networks provide an important safety net for the poor (Edin & Lein, 1997; Stack, 1974; Vale, 2002). These studies point to tight functioning social networks as one of the greatest assets in poor communities and challenge the notion that the social networks of the poor are inferior.

Using Briggs' (1998) definition of social capital, we might conclude that while residents in poor communities may have an abundance of strong ties, these ties usually provide only one form of social capital: *social support*. What they lack is access to bridging ties that can provide *social leverage* and connection to the outside world. Granovetter's (1974) research supports this reasoning with his finding that people most often find jobs through *weak* rather than close ties. Thus, there is "strength in weak ties" because weak ties provide individuals with information they do not already have, such as job opportunities. Therefore, having relations, albeit informal or weak, with different types of people who have access to different resources and information is critical to learning about new opportunities and becoming upwardly mobile.

Wacquant and Wilson (1989) found that blacks living in high poverty neighborhoods had significantly fewer social ties and less 'social worth' among their ties than blacks living in low poverty areas. Another study found that neighborhood poverty asserted an independent effect on social isolation and access to social resources above and beyond race and class (Tiggs, et al., 1998). It was found that "high neighborhood poverty severely reduces network size and is especially detrimental to blacks' chances of having an employed or college-educated discussion partner" (p.72-73). Another study found that the size, density, and heterogeneity of the social networks of low-income women influenced their ability to access opportunities for upward mobility (Dominguez & Watkins, 2003).

While there is research supporting the social capital thesis, a number of studies offer conflicting evidence. A Chicago study

found that neighborhood poverty concentration did not have an effect on the size or composition of social networks among black men, yet it did have a negative affect on the social networks of black women (Tiggs et al., 1998). A related study found that "public housing does not significantly affect social network structure or characteristics, and has no effect on the likelihood of finding a job through word of mouth" (Reingold et al, 2001, p.489).

Despite the inconsistencies in the current research base, many policies are constructed on these debatable assumptions regarding social capital and social networks. While this is risky in many ways, policies and programs do have the potential to help researchers further test and refine some of these hypotheses. Recently, theorists and policymakers have taken Wilson's poverty concentration thesis and argued that if concentrated poverty contributes to unwanted behavior and social ills, then deconcentrating poverty should reverse this effect. This rationale has led to recent housing dispersal programs and mixed-income housing initiatives that intend to deconcentrate poverty, and consequently, reduce the social problems attributed to poverty concentration in urban public housing developments.

### Public Housing Policy

In the 1930s and 1940s, public housing in the United States was constructed to house working families. By the 1960s, the targeted recipients of public housing had shifted to those most in need of housing assistance. As this shift occurred, many working families (especially whites) moved out of public housing, the physical condition of public housing declined, and the stigma of living in "the projects" grew (Vale, 2002). Since then, public housing has been treated as "housing of last resort." Tenant selection and rent calculation procedures aimed to provide housing to those in greatest need, resulting in extremely isolated and disadvantaged communities. These sorts of regulations also demoralized residents by discouraging work and savings (Spence, 1993). As a result, housing policy has been criticized for contributing to the concentration of poverty, race, and social problems in urban communities.

The Section 8 program was one policy response to the growing problem of poverty concentration in public housing. Section 8,

now called the Housing Choice Voucher Program, was created in 1974 as a housing assistance program that provided portable vouchers for people to rent in the private housing market. More than 1.4 million households currently receive vouchers through this program (HUD, 2004). Another way in which policymakers have responded to growing concentrations of poverty in public housing is through deconcentration—dispersing public housing residents by providing them vouchers to relocate to better neighborhoods. The Gautreaux program, for example, was established by the courts in 1976 to address discrimination in Chicago's public housing. To desegregate public housing, Gautreaux relocated low-income black families from isolated developments to predominantly white higher-income suburbs. Although adult movers experienced little improvements in employment or wages, the children of the relocated families proved to be much better off than those who remained in the city. They graduated high school at higher rates, entered college in greater numbers, and attained employment with benefits to a greater degree (Rosenbaum et al., 1998).

Inspired by some of the positive results of the Gautreaux program, HUD's Moving To Opportunities (MTO) demonstration program was created in 1994 as an experimental initiative to assess the effects of relocating public housing residents from concentrated developments to more heterogeneous communities. The five-city program randomly assigned public housing residents to an experimental group who received housing vouchers that could only be used in low poverty neighborhoods; to a control group that received unrestricted vouchers; or to a control group that remained in public housing. To date, research has found positive effects for the experimental group, including improvements in housing quality, neighborhood safety, and mental and physical health (Orr et al, 2003; Goering & Feins, 2003).

In 1989, in response to the growing poverty concentration and the increase in other social problems in public housing, Congress appointed the National Commission on Severely Distressed Public Housing to assess the state of the nation's public housing (Pitcoff, 1999). In 1992, the commission issued a report in which it recognized the critical need for a paradigm shift in public housing policy. It described public housing communities as being

extremely disadvantaged and noted that “high unemployment and limited opportunities for the meaningful employment of residents” was a significant problem facing residents of these projects (Van Ryzin et al., 2001, p.2). The commission suggested that public housing can attend to more than residents’ housing needs by better shaping their environment and providing more social services and resident initiatives. These recommendations were praised by many, as the deficit-focused public housing policies of the past had long been criticized for contributing to the perpetuation of poverty by focusing on “housing of last resort” and discouraging employment and asset-building. However, the commission also received criticism for not addressing residents’ need to access jobs, even though it found this to be one of the most pressing problems (Spence, 1993).

### HOPE VI

In response to the commission’s recommendations, in 1993 Congress passed the Urban Revitalization Demonstration Program, now known as HOPE VI.<sup>1</sup> The HOPE VI program is aimed at redeveloping the “most severely distressed” housing projects throughout the country. These include developments that suffer not only from physical deterioration, but also from isolation, inadequate services, crime, chronic unemployment, welfare dependency, and high concentrations of minorities, extremely poor residents, and single parent families (HUD, 2001). Recognizing the negative effects of the isolation and poverty concentration in older distressed projects, the HOPE VI policy focuses on reducing the concentration of poverty, encouraging self-sufficiency, and building sustainable mixed-income communities.

HOPE VI redevelopment entails the demolition of decaying housing developments and building new housing that blends in with the larger community. Between 1993 and 2002, HUD allocated \$5.3 billion to 193 HOPE VI sites around the nation

<sup>1</sup> HOPE is an acronym for Homeownership and Opportunity for People Everywhere. Initially enacted in 1990, it consisted of three homeownership programs (HOPE I-III), a program that combined housing vouchers with support services to help frail elders live independently (HOPE IV), and a job training program for youth called Youthbuild (HOPE V).

(HUD, 2003). Thus far, 57,772 public housing units have been demolished and 23,109 units constructed or rehabbed (GAO, 2003b). The program entails the construction of a total of 95,100 replacement units, only 48,800 of which will be public housing units (Cunningham, 2004). In addition to transforming the physical structure of buildings, HOPE VI transforms the social and economic structure of public housing by bringing in new residents—those of higher incomes—to the redeveloped site to offset the concentration of poverty. The goal is to create mixed-income communities where low-income public housing residents live among higher income families who pay market-rate rents. HOPE VI differs from previous policies by attempting to revitalize the public housing community itself, rather than strictly dispersing residents into different communities.

HOPE VI also reflects a shift away from past public housing programs because in some ways it considers more than just peoples' housing needs. Many of the problems associated with public housing developments have been attributed to a severe lack of social infrastructure; therefore, HOPE VI provides funds for social services. Services provided include a range of programs designed to help residents move toward self-sufficiency, such as case management, education, job training, and child care. HOPE VI grantees in the years 1993–2001 had budgeted a total of \$714 million for Community and Supportive Services programs (GAO, 2003a). While this may not be enough to realistically help residents achieve self-sufficiency, the program has been admired for the fact that social service money is built into a public housing policy, representing a shift towards a more comprehensive housing program.

HOPE VI has received praise for recognizing the negative effects of concentrating extremely poor residents in disadvantaged housing developments and for bringing a more innovative approach to public housing. However, the program has received much criticism for its major drawbacks, including that it displaces many families and reduces the nation's public housing stock. Because HOPE VI demolishes more units than it rebuilds and reserves a proportion of the rebuilt units for higher income families, some public housing units are lost. For example, 81 HOPE VI sites approved in 1998 involved the demolition of 37,449

units, with a total loss of 9,923 public housing units (GAO, 1998). Thus, in order to deconcentrate poverty and make room for higher income residents, HOPE VI displaces a substantial number of low-income families. For this reason, the program has been highly criticized and debated.

Vale points out that bringing in people who could otherwise find alternative affordable housing represents "a withdrawal from the central challenge of public housing: finding a way to assist the least advantaged renters" (1998, p.754). HOPE VI has also been criticized as being a revamped federally-funded urban renewal program with goals of gentrification aimed at eliminating low-income black neighborhoods, reallocating scarce inner-city land to higher income residents, and revitalizing central business districts (Keating, 2000).

Policymakers suggest that HOPE VI can improve the life chances of public housing residents by altering the social and economic composition of their communities. Clearly, theories of concentration effects, isolation, and social capital are imbedded in the policy. Supporters expect the program to increase the social mobility of the poor by having them live in closer proximity to better-off families. It is assumed that higher income families will be good role models for the poor, and that low-income families will benefit from having close contact with working families (ie. by diversifying their social networks). Many anticipate that the values of higher income families, such as their work ethic, community commitment, and family preferences, which are presumed to be lacking in high-poverty neighborhoods, will somehow rub off onto lower income families. However, as previously discussed, the research base supporting these assumptions is lacking. And since not all original residents can return to the redeveloped sites, these proposed benefits would likely only reach a segment of the community.

### HOPE VI Research

Residents who have to relocate for HOPE VI typically have three relocation options: move to another public housing development, move to the private market with a voucher, or move on their own with no subsidy. Although relocation trends vary site

to site, one study reported that of five sites, 38 percent of residents still lived in the original developments (they did not relocate yet), 30 percent relocated with vouchers, 23 percent relocated to other public housing developments, and 9 percent relocated without a subsidy (Cunningham, 2004).

Just as there is the potential for positive effects on families who return to the new mixed income communities, there is also a potential for positive impacts on families who relocate to low-poverty neighborhoods with vouchers. Yet, residents often have a difficult time finding replacement housing with vouchers because the availability of affordable housing is severely limited in many regions, many landlords are reluctant to accept vouchers, and most residents are inexperienced with using vouchers (Finkel et al., 2000). The families who end up relocating to other public housing developments or to other extremely poor, distressed, and racially segregated communities with or without vouchers are the families likely to fare the worst.

Studies show that HOPE VI relocation is improving the neighborhood conditions in which many residents live. For example, the average neighborhood poverty rate decreased from 40 percent to 28 percent (in five HOPE VI sites studied) (Buron, 2004). Approximately 32 percent of residents who relocated from eight sites studied now live in census tracts with poverty rates under 20 percent (Buron, 2004), and 40 percent of movers from five other sites now live in such neighborhoods (Buron et al, 2002). Despite these gains, about 40 percent of residents still reside in neighborhoods marked by concentrated poverty (over 30 percent) and the majority still live in neighborhoods marked by extreme racial segregation (Buron et al, 2002; Buron, 2004). Seventy-six percent of relocated residents (from five sites) live in neighborhoods where 80 percent or more of the population is minority (Buron, 2004).

In addition, movers reported improvements in neighborhood safety (especially voucher holders). The percent of movers who had significant problems with shootings and violence dropped from 67 percent in their old developments to 20 percent in their new communities (Buron, 2004). Many residents also experienced improvements in housing quality, with voucher holders experiencing the greatest gains. One multi-site study reported that 33 percent of residents pre-relocation reported three or more

problems with their housing, compared to 12 percent post-relocation. However, it was found that the housing quality of all movers was still lower than other poor people nationwide (Comey, 2004)

Although many residents relocate temporarily (usually for a few years until redevelopment is complete) before returning to the new communities, others must relocate permanently since there are never enough units for all original residents to return to the rebuilt communities. Reoccupancy by original residents varies from site to site and in many sites only a small portion of the original residents returned (NHLP, 2002; Keating, 2000). A recent GAO report (2003b) analyzed 39 sites where reoccupancy was complete and found that less than 25 percent of original residents returned to 17 sites; 75 percent or more returned to 7 sites. Many residents do not return to the redeveloped sites because stricter move-back criteria, such as employment requirements or background checks, make them ineligible. Others may be eligible but decide not to return because they are comfortable in their new communities and do not want to move their families again. The fact that many original residents do not return to redeveloped HOPE VI communities is not necessarily a bad outcome if these families made informed decisions to relocate to better housing in better neighborhoods.

A study that assessed the relocation choices of residents at four HOPE VI communities found that residents make relocation choices "based on significant misinformation about Section 8 procedures, HOPE VI move-back criteria, and availability of relocation services" (Smith, 2002, p.1). Others indicate that relocation assistance is significantly lacking, especially for hard-to-house families, such as those with many children, problems with domestic violence, gang affiliation, substance abuse, chronic health problems and disabilities (Keating, 2000; Popkin et al, 2002; 2004b). These residents may face increased housing instability and even homelessness since they are unlikely to be successful finding suitable units in the private market with vouchers, and they are unlikely to return to the rebuilt communities due to the restrictions in the number of units, the size of units, and the new eligibility criteria (Popkin et al, 2004b). The *HOPE VI Resident Tracking Study* (Buron et al, 2002) found that residents who moved



to private market housing with or without vouchers faced new challenges with economic stability. For example, about 50 percent said they were having difficulty affording enough food for their households, and 40 percent indicated they were having problems paying rent and utilities.

Other research has looked into the important question of whether HOPE VI has any impact on residents' prospects for self-sufficiency. At one Atlanta site, the average household income for public housing residents rose from \$4,142 prior to redevelopment (1990) to \$10,621 after redevelopment (1996) (Keating, 2000, p.3). While this could be due to rising employment levels among residents, it is also possibly due inflation, welfare reform, or to the new tenant selection procedures that allow housing authorities to give preference to working and higher income residents. The *HOPE VI Panel Study* (Levy & Kaye, 2004), which tracks the living conditions and well-being of residents from five sites, found that employment rates did not change from baseline to follow-up (a two year period). Perhaps not surprisingly, it was found that many residents cycled in and out of employment and significant barriers to employment included poor health and having young children. In Chicago, residents who relocated for HOPE VI redevelopment experienced improvements in mental health, which could have positive effects on employment and self-sufficiency in the long run (Popkin & Cunningham, 2002).

Further, nearly half the residents in the *HOPE VI Panel Study* cited a lack of jobs in the neighborhood as a barrier to getting or keeping a job (Levy & Kaye, 2004). Although self-sufficiency is a key goal of HOPE VI, research does not show that the program is successful in preparing residents for or connecting them to the job market. The combination of social services and increased proximity to higher income people (ie. better job networks) is intended to help residents achieve upward mobility. However, at one Boston site the impact of the social service component on the self-sufficiency goals of the program was assessed and it was found that while residents were using an array of new social services, utilization was not related to employment, a key program outcome (Collins et al., 2004). In a New York HOPE VI community it was found that two social capital indicators (social support and civic engagement) had no association with

self sufficiency (Van Ryzin, et al., 2001). Because of its apparent failure to connect residents with employment, HOPE VI has been criticized for falling short of its self-sufficiency goals.

Another key issue explored by researchers is the impact of HOPE VI on residents' social networks and social interaction. While several previous studies and theoretical perspectives (ie. Wilson, Granovetter, Briggs) suggested that programs like HOPE VI might help improve low income residents' opportunities for social mobility by diversifying their social networks, HOPE VI research to date does not support this notion. In fact, HOPE VI research appears to support the previous work of other researchers (ie. Stack, Edin and Lein, Putnam, Vale) that suggested that relocation might actually impose additional barriers to mobility and self-sufficiency by severing residents' strong social networks and weakening social capital building opportunities. HOPE VI researchers have found that relocation often breaks up strong social networks, which may lead to negative outcomes for families and communities (Saegert & Winkel, 1998; Greenbaum, 2002; Popkin et al, 2004b; Clampet-Lundquist, 2004). Further, coping with the stresses of relocation can be difficult for many residents whose complex problems and situations may be exacerbated by relocation.

In addition, although the mixing of incomes was intended to expand opportunities for low-income residents, research to date on redeveloped HOPE VI communities shows low levels of interaction among neighbors (Buron et al., 2002; Smith, 2002). A study of resident interactions in the pre-HOPE VI mixed-income community of Lake Parc Place in Chicago found that beyond simple interactions (everyday greetings; brief conversations), neighbors engaging in more complex interactions were relatively rare (eating a meal with a neighbor; watching a neighbor's child) (Rosenbaum et al., 1998). Moreover, when residents were asked whether they saw other neighbors as role models, researchers reported that residents "found this idea rather insulting, implying that they were childlike, inferior, or needing improvement" (p.732). A separate ethnographic study reported that residents' sense of ownership and involvement, as well as the management company's performance, were much more important

to their quality of life than interactions with neighbors (Nyden, 1998).

In summary, the HOPE VI program has the potential to have major positive and/or negative effects on the lives of low-income families. As a result of HOPE VI, poverty is deconcentrated at the original public housing sites as intended. Yet, poverty is also reconcentrated in other public housing developments and other poor communities where many residents permanently relocate. Thus, while some residents may benefit from better housing and better communities, others end up in housing and communities similar to those they were forced to leave. As for its intended social effects, evidence to date does not suggest that HOPE VI is successful in helping families achieve social and economic mobility through the creation of economically integrated developments (for those who move into the new developments) or through relocation to other communities. It is plausible that the intended social and economic benefits of income mixing and relocation will take more time to generate. The gains in neighborhood and housing quality for some relocated residents may lead to longer-term benefits such as improved health and better job networks. Longitudinal studies examining impacted families before, during, and after HOPE VI relocation (including those who do not return to the redeveloped site) are still very much needed (Popkin et al, 2002).

Overall, there is a lack of consistent data across HOPE VI redevelopment sites, which makes research and evaluation of the program difficult (Popkin et al, 2004a). This is in part because HUD did not require evaluations of HOPE VI programs until the year 2000; and there are no strict criteria or guidelines for current evaluations. Further, the program has been evolving and changing since it began and looks different site to site due to the flexibility given to housing authorities. HUD initiated 'baseline' and 'interim' assessments (Fosburg et al., 1996), but these were not focused on collecting data on original residents and their outcomes; rather, they were case studies focused more on the physical redevelopment of the sites. Although there are several informative longitudinal studies of small samples of HOPE VI sites (reviewed in this article), the data on HOPE VI in general is not ideal for assessing its impact on residents or the theories

behind it. On the whole, few studies have explored the actual impact of the policy on the lives of the original residents or the low-income families that currently reside in HOPE VI communities, which is concerning since the potential negative effects of HOPE VI may be as great as the potential positive effects.

### Conclusion

Despite the advancement of theories of urban poverty, the implementation of policies reflecting these theories, and the existing research base, important questions remain. For example, what role do factors such as social isolation and inadequate social capital play in causing and/or perpetuating urban poverty? In addition, are factors such as racial segregation and low social capital causes or outcomes of concentrated poverty, or both? What methods work best to enhance social capital and decrease social isolation? Can the desired social and economic effects be achieved through income-mixing initiatives? More specifically, can this sort of social engineering lead to long-term social mobility, as theory might suggest? Answering these sorts of questions is critical to the development of policy that accurately targets the 'problem'. More qualitative and ethnographic research in particular is needed to better understand the mechanisms by which poverty concentration affects residents' life chances. Future research should explore the differential effects of relocation to different types of housing and neighborhoods (ie. public housing, vouchers, new mixed income communities) on outcomes such as residents' social networks, economic stability, and health. Through longitudinal mixed-method research, future studies can better assess the effects of housing mobility programs such as HOPE VI; and this will ultimately help future theory development and precision and lead to a better understanding of urban poverty.

Finally, if future research finds that HOPE VI is successful in the long run in producing positive neighborhood effects and improving the life chances of the poor through a combination of mixed-income communities and portable vouchers, then the program must create enough of these communities and provide enough vouchers in order for all residents to benefit. If research continues to find negative effects on residents' social networks

and little positive effects on self-sufficiency and upward mobility, then policymakers and scholars must rethink the theoretical basis for such programs. They must explore other ways of building social capital and improving the social and economic mobility of low-income families in these communities.

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