

HOPE VI:
*Where Do We Go
from Here?*

Are HOPE VI Families at Greater Risk for Homelessness?

Debi McInnis, Larry Buron, and Susan J. Popkin

Some HOPE VI original residents did experience homelessness, but the number of homeless families is not as large as many critics feared.

A main criticism of the HOPE VI program is that intentionally relocating residents—even temporarily—increases the likelihood that some residents will end up homeless. Some critics have cited the low numbers of residents returning to revitalized HOPE VI sites as an indication that the revitalization process has harmed original residents (National Housing Law Project 2002). Housing authorities have been accused of “losing” residents and not providing them with the relocation assistance to which they were entitled. Other critics, particularly in Chicago, where the nation’s largest public housing transformation effort is under way, have claimed HOPE VI initiatives that forced out residents have increased shelter populations (Bennett, Smith, and Wright 2006). And, particularly early in the program, there was evidence of serious problems at some sites. For example, some housing authorities proceeded with relocation so quickly that they flooded the market with voucher holders, thus making it difficult for residents to find landlords to accept their housing assistance (Buron et al. 2002). However, most of this evidence is anecdotal, and while there has been much rhetoric on both sides, there has been no hard evidence to support or disprove critics’ claims that HOPE VI increases homelessness.

This brief uses data from the HOPE VI Panel Study (see text box on page 7), which has been tracking a sample of 887 residents from five HOPE VI sites since 2001, to address whether HOPE VI initiatives increase the chances that original residents will be at

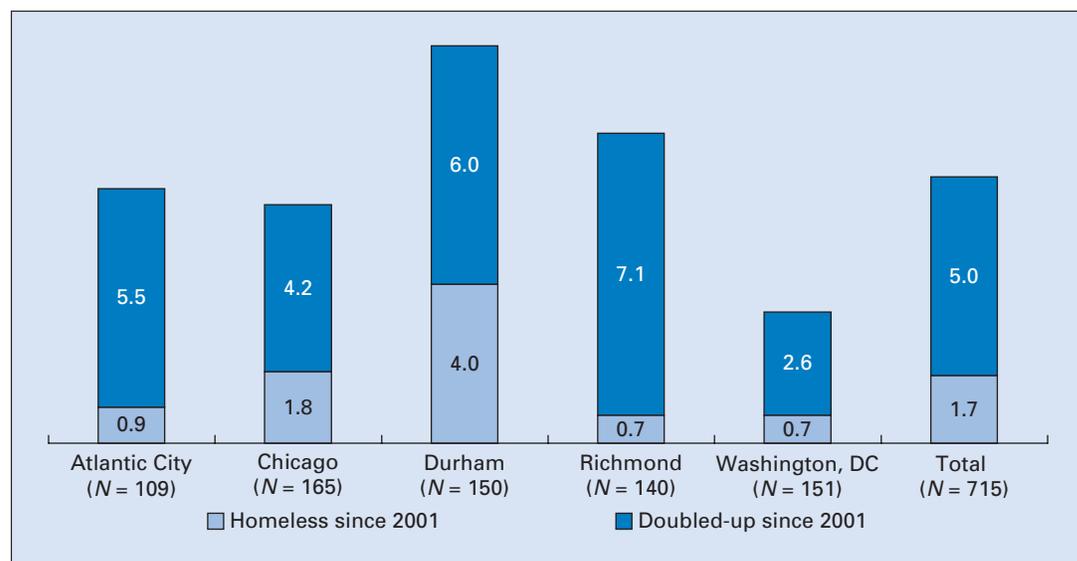
greater risk of homelessness. We use three different strategies to examine how many residents have become homeless or faced serious housing hardship since HOPE VI revitalization began. First, we use survey data to identify residents who report experiencing homelessness or were doubled up with other households (and considered “precariously housed”). Second, we look at the available data on nonrespondents in our sample—that is, those we were unable to interview—to see if we can determine their housing status. Finally, we look at the housing status of survey respondents who reported no longer receiving housing assistance.

Less than 2 Percent of Original Residents Reported Experiencing Homelessness

Twelve (1.7 percent) of the 715 respondents to the follow-up survey in 2005 reported experiencing homelessness at some point during the four years since relocation started in 2001 (figure 1). We identified respondents as homeless if they lived in a homeless shelter or on the streets at the time of the 2003 or 2005 follow-up interview or they reported having lived on the streets or in homeless shelters in the 12 months before the interview.

In addition to homeless respondents, 5 percent of respondents were “precariously housed”—that is, they were doubled up with friends or family. We considered respondents doubled-up in 2003 or 2005 if

FIGURE 1. Original Residents Who Experienced Homelessness or Were Doubled-Up since Baseline (percent)



Sources: 2001, 2003, and 2005 HOPE VI Panel Surveys.

they either shared housing with family or friends and paid no rent or if they reported “not having a place of their own to stay in the past year” and stayed with a friend or relative during that time.

There was substantial variation in the risk of homelessness across the five sites. As figure 1 shows, respondents from Durham’s Few Gardens were substantially more likely to experience housing insecurity than those from any other site. Four percent of respondents from Few Gardens reported that they had experienced homelessness since 2001, which was more than double the rate of homelessness across the entire sample. An additional 6 percent of Few Gardens residents reported that they had been doubled up since 2001. At the other end of the spectrum, residents from Washington, D.C.’s East Capitol reported the lowest rates of housing insecurity, with less than 1 percent (0.7 percent) reporting experiencing homelessness and 2.6 percent reporting that they had doubled up at some point since 2001.

Mismanagement and poor implementation may account for the exceptionally high rates of housing insecurity in Durham. The Durham Housing Authority’s executive director was removed in 2003; a HUD audit found that he and an outside consultant had embezzled funds earmarked for relocation support and that the agency had never provided the supportive services that were part of the HOPE VI grant. In 2005, newspaper accounts indicated that the agency’s

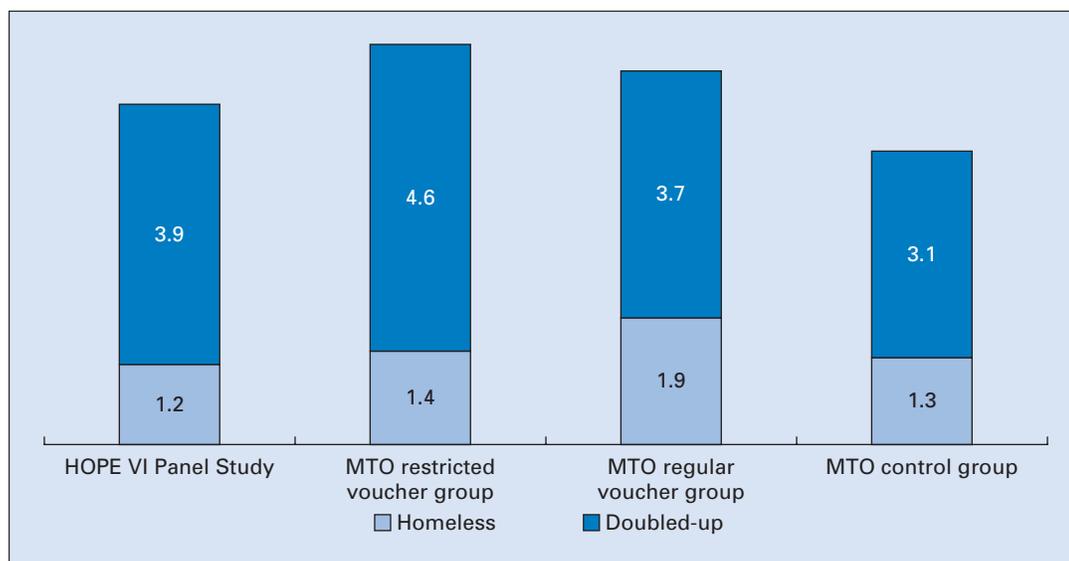
voucher program was failing and that HUD might take back its HOPE VI grant. Our findings suggest that Few Gardens residents may have paid a steep price for the agency’s mismanagement.¹

The Share of Homeless and Doubled-Up HOPE VI Families Is Not High Relative to Comparable Populations

To put our findings on homelessness in context, we compared our results to those from another study of low-income populations, the Moving to Opportunity (MTO) demonstration (Orr et al. 2003). The MTO in-place control group—public housing residents who applied for a voucher but did not get one—is the best comparison group for the HOPE VI Panel Study. The residents in the MTO in-place control group stayed in their original public housing development, which is likely the situation that HOPE VI Panel Study respondents would have been in had their development not been slated for revitalization.² The other MTO groups were given vouchers but could remain in public housing if they were not successful using their voucher.

Figure 2 shows that the MTO control group and the HOPE VI Panel Study respondents reported nearly identical rates of being homeless in the past year.³ The MTO group had a slightly smaller share of doubled-up families, so the overall share of people that were homeless or doubled up in the MTO in-

FIGURE 2. Original Residents Homeless and Doubled-Up in Past Year (percent)



Sources: 2005 HOPE VI Panel Survey and Orr et al. (2003).

Notes: These HOPE VI results are only for the one-year period leading up to the 2005 survey to make them comparable with the MTO study. The MTO groups consist of public housing residents who received a voucher for use in neighborhoods with poverty rates below 10 percent (the restricted voucher group), a regular voucher for use in any neighborhood (the regular voucher group), or were not given a voucher (the control group). The MTO voucher groups could stay in public housing if they did not lease up.

place control group is slightly smaller than in the Panel Study (4.4 versus 5.1 percent). The other two MTO groups have slightly higher shares of homeless and doubled-up families than the HOPE VI respondents.

Families that live in distressed public housing typically have very low incomes, health problems, and are likely to have complex family situations. The fact that MTO respondents who did not have to move are equally vulnerable to homelessness suggests that financial vulnerability, rather than HOPE VI relocation, places these families at risk for housing insecurity.

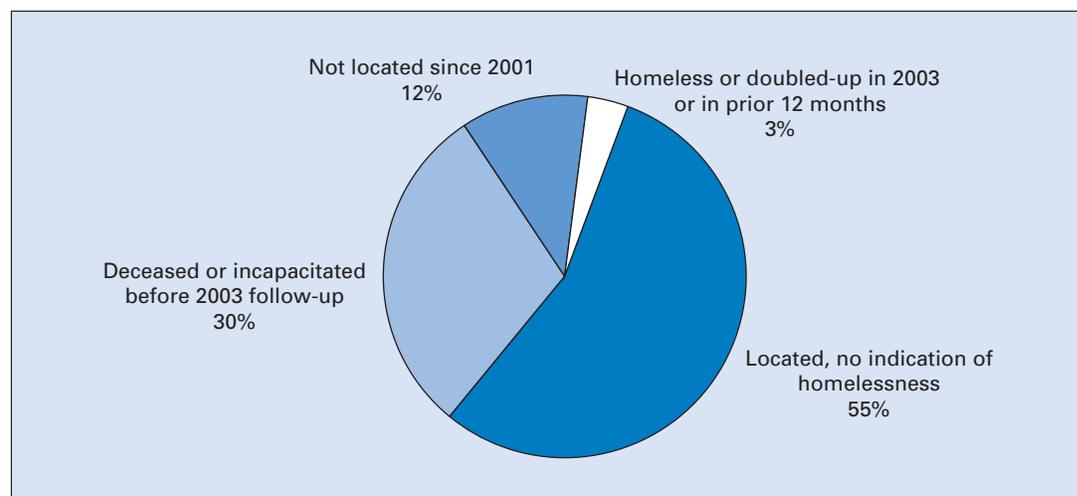
No Evidence that Survey Nonrespondents Experienced a High Rate of Homelessness

A common criticism of panel studies is that people who are not interviewed for follow-up surveys have different experiences than those who are. In the case of the HOPE VI Panel Study, the concern is that the nonrespondents might be more likely to experience homelessness or housing insecurity. To address this concern, we investigated the housing status of people we were unable to interview in 2005 by analyzing responses to the 2003 survey, tracking records (including housing authority data), and interviewer notes on attempts to find and interview sample members.

Figure 3 summarizes the status of the 172 HOPE VI panel members that were not interviewed at the second follow-up in 2005. Mortality has been the biggest source of attrition for this sample—41 nonrespondents were deceased by the 2005 follow-up.⁴ We located almost all the other nonrespondents during the four-year follow-up period, and we interviewed over half the nonrespondents (95 of 172) in 2003. Among those interviewed in 2003, 6 percent reported experiencing homelessness or sharing a unit with family or friends. This two-year total for nonrespondents is almost as high as the rate of housing insecurity reported by the respondents over the four-year period through 2005 (6.7 percent).

We also tried to determine the housing status of original residents that did not respond to either the 2003 or 2005 follow-up surveys (the remaining 77 of the 172 nonrespondents in 2005). The HOPE VI Panel Study population was highly mobile because as demolition got under way, the residents were required to relocate. Therefore, it is encouraging we were able to contact (but not necessarily interview) all but 20 panel members after 2001. None of the other located, but not interviewed, residents appeared to be homeless at the time we located them. But, if we assume the worst and deem those not located since baseline to be homeless, then the percent-

FIGURE 3. Location Status of Original Residents Not Interviewed in 2005 (N = 172)



Sources: 2001 and 2003 HOPE VI Panel Surveys and Panel Study sample tracking data from 2001 to 2005.

age of original residents who experienced homelessness would more than double. Looking at respondents to either the 2003 or 2005 survey who reported being homeless at some point after 2001 (16 panel members) and assuming those who had no contact since 2001 were all homeless (20 panel members) increases the percentage of residents who experienced homelessness from 1.7 percent of the 2005 survey respondents to 4.1 percent of the entire panel.

Unassisted Households

In 2005, 103 households were no longer receiving any housing assistance; we examined their experiences with housing and financial hardship to determine whether they were at increased risk of homelessness. These respondents broke into three distinct groups: residents who were unassisted because they were homeless or incarcerated, unassisted homeowners, and unassisted renters. Six of the unassisted respondents were homeless in 2005 and one was incarcerated. Twenty-six of the unassisted respondents had become homeowners and were no longer receiving housing assistance. Of the 70 unassisted renters, 26 also reported experiencing homelessness or being doubled up at some point since 2001. These 26 respondents were discussed previously in this brief.

Of the 44 unassisted renters who did not report experiencing housing insecurity, most were from either Durham's Few Gardens (43 percent) or from Richmond's

Easter Hill development (27 percent). Smaller proportions were from Chicago's Wells and D.C.'s East Capitol (18 and 11 percent, respectively); none were from Atlantic City's Shore Park. Given the problems the Durham housing authority experienced during the study period, it is not surprising that Durham has the highest proportion of unassisted renters.

Unassisted Renters Are Mobile

The 44 unassisted renters who did not report housing insecurity moved more often than respondents who were still receiving housing assistance and spent less time in public housing before 2001. Roughly 23 percent of unassisted renters reported that they moved three or more times since 2001, compared with 8.7 percent of voucher holders and 1.9 percent of other public housing residents. In addition, unassisted renters did not have as long a tenure in public housing as the other groups before relocation started in 2001. Just about half the unassisted renters lived in public housing for five or more years at the time of the baseline interview, compared with 61 percent of voucher holders and 65 percent of other public housing residents.

Why Other Unassisted Renters Lost Their Assistance

Unassisted renters lost their housing assistance for various reasons, not all of which were negative. About one in five of the

other unassisted renters cited a “positive reason” such as marriage or higher incomes as the reason they were no longer eligible to receive assistance. But far more—nearly half (46 percent) of unassisted renters—cited a negative reason for why they no longer received assistance, including breaking program rules, being evicted, being relocated from public housing and unable to move back, and rent and utility costs that were too high.

Unassisted Renters Experience Financial Hardship

Figure 4 shows the responses to various financial hardship questions for the unassisted renters, voucher holders, and other public housing residents. When asked if they had been 15 days late paying utilities, unassisted renters and voucher holders reported similar experiences (43 to 44 percent said yes). Respondents who had moved to other traditional public housing developments reported much lower numbers, likely because they are not responsible for utility payments (see Buron, Levy, and Gallagher 2007). However, unassisted renters were much more likely to report being late paying their rent and most likely to report being evicted for nonpayment of rent. So even though these unassisted renters did not report being homeless or doubled up, they are experiencing more housing insecurity than the assisted households.

Policy Implications

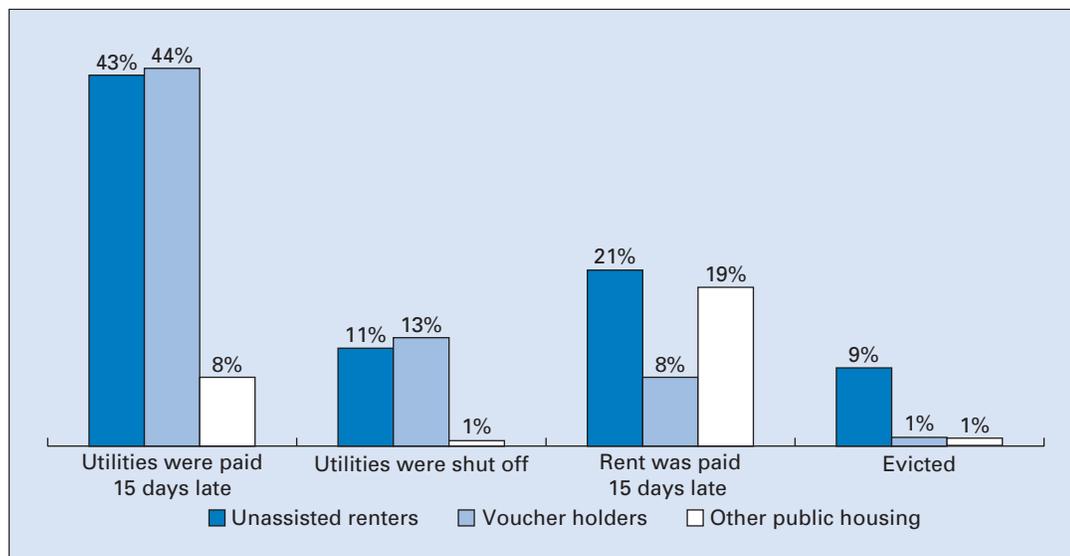
The residents of public housing developments that are selected for HOPE VI revitalization are a very vulnerable population. They live in severely distressed communities and have very low incomes. Supportive services that housing authorities are supposed to provide as part of HOPE VI are critical. They help empower residents to make successful, sustainable moves and help ensure that residents do not become homeless.

These findings suggest several key implications for policy.

Continue to use vouchers as an option for residents relocating through HOPE VI. Vouchers are a viable relocation tool that can provide a high level of housing security for families. Residents with vouchers were less likely to report late rent payments or threats of eviction. The voucher holders also reported improvements in their health and perceived safety (see Popkin and Cove 2007).

Ensure that housing authorities manage their HOPE VI relocation effort effectively. High-quality management is important because mismanagement can result in higher rates of homelessness. Sites with management problems within the housing authority are more likely to lose track of their residents and fail to provide the necessary supports (as evidenced in the Durham site).

FIGURE 4. Experiences with Financial Hardship



Source: 2005 HOPE VI Panel Survey.

Provide adequate supportive services to residents during relocation and beyond. The risk of homelessness appears low, but families are losing their assistance. Housing authorities need to do more to provide supportive services, particularly such services as credit counseling and budget planning. Housing authorities should also consider working with homelessness prevention programs to identify warning signs. If warning signs are identified, the housing authority can intervene to prevent evictions by landlords, terminations for breaking program rules, and other reasons for losing assistance.

Carefully track residents through all stages of relocation. The location of some families remains uncertain, which brings concern that they may be homeless or experiencing other forms of housing insecurity. Relocation counselors should maintain monthly contact with residents as they go through the search process and at a minimum through the first two years after relocation. Regular contact with residents, coupled with the ongoing supports listed above, will help residents to sustain their moves. It also gives the residents a support network, someone to call when they have questions or concerns. If former HOPE VI residents are unable to remain in their new communities because of financial pressures, difficulties with landlords, or their own personal challenges, it is unlikely that they or their children will have any long-term benefits from relocation.

Notes

1. See articles in the *News and Observer* (Raleigh, NC), August 5, 2004, and April 23, 2005; *The Herald-Sun* (Durham, NC), December 17, 2004, and June 24, 2006; and *Audit Report for the Durham Housing Authority*, Office of Inspector General, November 19, 2004.
2. The following caveats apply to the comparability of the MTO and HOPE Panel Study samples: (1) MTO participants were volunteers, and therefore were not a representative sample of residents; (2) MTO and HOPE VI sites were in different cities (except both included Chicago); (3) the MTO interim evaluation was conducted four to seven years after the baseline year, whereas the HOPE VI interview was conducted four years after the baseline year; and (4) many public housing developments in the MTO cities were eventually made into HOPE VI developments, so some of these residents may have been affected by HOPE VI as well.
3. To make “apples to apples” comparisons with the MTO study, figure 2 presents only the share of HOPE VI respondents who were homeless or doubled-up in the year before the 2005 survey. To make the MTO results comparable with the Panel Study, only people who reported that they did not

live in the same housing unit for the past 12 months could be identified as homeless or doubled-up in the previous 12 months.

4. Twenty-one nonrespondents died before the 2003 follow-up; twenty more died before the 2005 follow-up. An additional 10 nonrespondents were incapacitated.

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HOPE VI Program

Created by Congress in 1992, the HOPE VI program was designed to address not only the bricks-and-mortar problems in severely distressed public housing developments, but also the social and economic needs of the residents and the health of surrounding neighborhoods. This extremely ambitious strategy targets developments identified as the worst public housing in the nation, with problems deemed too ingrained to yield to standard housing rehabilitation efforts. The HOPE VI program is now up for reauthorization; if reauthorized, it will run for another 10 years.

The program's major objectives are

- to improve the living environment for residents of severely distressed public housing by demolishing, rehabilitating, reconfiguring, or replacing obsolete projects in part or whole;
- to revitalize the sites of public housing projects and help improve the surrounding neighborhood;
- to provide housing in ways that avoid or decrease the concentration of very low income families; and
- to build sustainable communities.

Under the \$6.3 billion HOPE VI program, HUD has awarded 609 grants in 193 cities. As of June 2006, HOPE VI revitalization grants have supported the demolition of 78,100 severely distressed units, with another 10,400 units slated for redevelopment. Housing authorities that receive HOPE VI grants must also develop supportive services to help both original and new residents attain self-sufficiency. HOPE VI funds will support the construction of 103,600 replacement units, but just 57,100 will be deeply subsidized public housing units. The rest will receive shallower subsidies or serve market-rate tenants or homebuyers.

HOPE VI Panel Study

The HOPE VI Panel Study tracks the living conditions and well-being of residents from five public housing developments where revitalization activities began in mid- to late 2001. At baseline in summer 2001, we surveyed a sample of 887 heads of households and conducted in-depth, qualitative interviews with 39 adult-child dyads. We conducted the second wave of surveys in 2003 (24 months after baseline) and the third and final wave in 2005 (48 months after baseline). In 2003, we surveyed 736 heads of household and interviewed 29 adults and 27 children; in 2005, we surveyed 715 heads of households and administered 69 interviews. We also interviewed local HOPE VI staff on relocation and redevelopment progress, analyzed administrative data, and identified data on similar populations for comparative purposes. The response rate for each round of surveys was 85 percent. We were able to locate, if not interview, nearly all sample members; the largest source of attrition was mortality.

The Panel Study sites are Shore Park/Shore Terrace (Atlantic City, NJ); Ida B. Wells Homes/Wells Extension/Madden Park Homes (Chicago, IL); Few Gardens (Durham, NC); Easter Hill (Richmond, CA); and East Capitol Dwellings (Washington, DC). These sites were selected as typical of those that had received HOPE VI grants in 1999 and 2000 but that had not yet begun revitalization activities.

The principal investigator for the HOPE VI Panel Study is Susan J. Popkin, Ph.D., director of the Urban Institute's A Roof Over Their Heads research initiative. Funding for this research was provided by the U.S. Department of Housing and Urban Development, the John D. and Catherine T. MacArthur Foundation, the Annie E. Casey Foundation, the Rockefeller Foundation, the Robert Wood Johnson Foundation, the Fannie Mae Foundation, the Ford Foundation, and the Chicago Community Trust.

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