



CHA Families and the Plan for Transformation

The CHA's Plan for Transformation *How Have Residents Fared?*

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"The goal of the Plan for Transformation was to convert distressed public housing into healthy communities."

This series presents findings from the *Chicago Panel Study*, a follow up to the Urban Institute's five-site *HOPE VI Panel Study*, the only national study of outcomes for families affected by HOPE VI revitalization (Popkin et al. 2002). The HOPE VI Panel Study tracked resident outcomes across a broad range of domains from 2001 to 2005.¹ The Chicago Panel Study is continuing to track the 198 sample households from the Chicago Housing Authority's (CHA) Madden/Wells Homes.

The CHA's Plan for Transformation, launched in October 1999, was an ambi-

tious effort to transform the agency's distressed public housing developments, replacing most with mixed-income communities and comprehensively rehabilitating the remaining properties. The ultimate goal of the Plan for Transformation was to demonstrate that it was possible to convert distressed public housing into healthy communities that would provide residents with opportunities for a better life.²

The challenges the CHA faced in attempting to transform its public housing were immense. The agency was one of the largest housing authorities in the country and had an extraordinary number of distressed units—its plans called for demolishing or rehabilitating 25,000 units in all. The CHA's troubles were the result of decades of neglect, poor management, and overwhelming crime and violence. Further, CHA's residents were especially disadvantaged: because of the terrible conditions in CHA's family developments, many tenants who had better options had left long ago, leaving behind a population dominated by extremely vulnerable families (Popkin et al. 2000). And, like most housing authorities, when the CHA began implementing its

HOPE VI stands for Housing Opportunities for People Everywhere. 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 the social and economic needs of the residents and the health of surrounding neighborhoods. The program was reauthorized in 2009 as part of the Choice Neighborhoods Initiative Act. Between 1993 and 2008, 247 distressed public housing developments located in 130 communities in 34 states, the District of Columbia, and Puerto Rico have received HOPE VI grants to effect redevelopment. Chicago is the largest recipient of HOPE VI funds.

The Chicago Panel Study research was supported with a grant from the John D. and Catherine T. MacArthur Foundation. Information on crime rates was used by permission from Professor Wesley Skogan of Northwestern University.

revitalization plans, the agency had little experience in providing case management or relocation counseling and struggled with developing adequate services. The agency negotiated a Relocation Rights Contract with its resident leadership in 2000 that formally spelled out the CHA's obligations to leaseholders during the transformation, including the services to be offered to residents while they waited for permanent housing. By the time the CHA moved into the later phases of relocation in Madden/Wells, the agency's relocation and supportive service system had evolved to become unusually comprehensive, and included both relocation counseling and case management (Popkin 2010).

In October 2009, the CHA marked the 10th anniversary of the Plan for Transformation. The changes that the plan has wrought over the past decade have been dramatic and have changed the city's landscape. Most striking is the absence of the massive high-rises that dominated some of the city's poorest neighborhoods for half a century. These developments have been replaced with new mixed-income communities that represent the best current thinking on how to create affordable housing without creating pockets of concentrated poverty. But while the physical impact of the CHA's transformation is evident, the impact on the families that had lived in CHA's distressed developments—and endured its worst days—has been less visible (Popkin 2010).

The purpose of the Chicago Panel Study is to track the circumstances of CHA residents to assess how they are faring as the Plan for Transformation progresses. Overall, as this series of briefs documents, we find that, after 10 years, the story for CHA families is far more positive than many observers—including ourselves—would have predicted at the outset.³ Regardless of where they have moved, most families in our study are living in considerably better circumstances. However, the study also highlights the serious challenges that remain, most significantly, residents' extremely poor health and persistently low rates of employment.

Further, despite their improved quality of life, most CHA families continue to live in poor, predominantly African-American communities that offer limited access to economic and educational opportunity.

Chicago Panel Study

The Chicago Panel Study tracks the living conditions and well-being of residents from Chicago's Madden/Wells homes. Built between 1941 and 1970, Madden/Wells was one of the CHA's largest public housing complexes, made up of 3,000 public housing units in four developments: the Ida B. Wells Homes, a low-rise development first opened in 1941 to house black war workers; the Wells Extensions; Madden Homes; and the high-rise Darrow Homes (Bowly 1978). The complex was located on the near south side of the city, close to Lake Michigan on the east and to the sites of the former Robert Taylor and Stateway Gardens Homes on the west.

The U.S. Department of Housing and Urban Development (HUD) awarded the CHA a \$35 million HOPE VI grant in 2000 to convert the Madden/Wells site into a mixed-income community. The CHA used a staged relocation process for the development, closing sections as new units came on line; in 2005, 40 percent of the Chicago Panel Study sample were still living in the partially demolished site. Over the next several years, rapidly deteriorating conditions led the agency to accelerate the relocation process and close the development in August 2008. All of the public housing on the site is now demolished and a new mixed-income community called Oakwood Shores is gradually rising in its place.

For the HOPE VI Panel Study baseline in summer 2001, we surveyed a random sample of 198 Madden/Wells heads of household and conducted in-depth, qualitative interviews with seven adults and seven children. We followed up the sample in 2003 (24 months after the baseline), surveying 174 heads of household (88 percent response rate) and interviewing six adults and six children. At the second follow-up in 2005 (48 months after the baseline), we

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surveyed 165 heads of household (83 percent response rate) and interviewed eight adults and seven children. For the Chicago Panel Study, we conducted a third follow up in 2009, completing surveys with 136 Madden/Wells heads of household (69 percent response rate) and interviews with nine adults and nine children. The largest source of attrition between 2005 and 2009 was mortality; we were able to locate, if not survey, nearly all sample members.⁴

2005: A Glass Half Empty?

At the final round of the HOPE VI Panel Study in 2005, we concluded that in Chicago, as in the other four sites, the redevelopment effort had had some important successes—most residents living in the private market with vouchers were living in better housing in safer neighborhoods. Relatively few had returned to live in the new mixed-income housing development, but those who had were faring well. However, there were reasons for concern: residents' health was extremely poor, mortality rates were worryingly high, and many former residents living in the private market were experiencing material hardship, particularly difficulty in paying their utilities. Further, 40 percent of the respondents were still living on-site in Madden/Wells and enduring rapidly deteriorating conditions as building systems failed and drug dealers and gangs moved into the vacant units. Many of those left behind were among the most vulnerable families—those with serious physical and mental health issues and complex family problems. The children in these households appeared to be struggling, with parents' reports indicating rising rates of delinquency and risky behavior, especially for girls (Popkin 2010).

Four Years Later, an Improved Quality of Life for Most Families

By 2009, all of the original respondents had been out of Madden/Wells for at least a year, and some had been out for as long as

eight years. The majority of former residents were using vouchers to rent a unit in the private market (54 percent), nearly a third were living in public housing (29 percent), and the rest were no longer receiving housing assistance (17 percent). More than half the residents that relocated to public housing (18 percent of all respondents) were living in one of the CHA's new mixed-income developments, mostly in Oakwood Shores. Less than 1 percent had become homeless.

The biggest and most striking change since 2005 is that *residents' circumstances have improved, regardless of the type of housing assistance they have*. In 2005, we found that residents who were living in the private market were faring far better than those who were still living in public housing. But in 2009, those differences have disappeared, and nearly all Madden/Wells respondents—even those who have moved to one of CHA's remaining traditional public housing developments—report living in better quality housing in safer neighborhoods.

- More than three-quarters of Madden/Wells respondents now say that their housing is in excellent or good condition and, in sharp contrast to 2005, no public housing residents rate their housing as "poor."⁵ Nearly all (84 percent) rate their housing as better than where they lived in Madden/Wells. The proportion reporting two or more serious housing-quality problems has declined from nearly 80 percent in 2001 to 19 percent in 2009. Stunningly, those who relocated to a traditional public housing development report almost no problems with their units, while residents who are renting in the private sector with a voucher report the most problems overall, though the level is still substantially lower than when they lived in Madden/Wells.
- Madden/Wells families live in considerably lower-crime neighborhoods where they no longer constantly fear for their own and their children's safety. Respondents' perceptions of violence

"Residents' circumstances have improved across the board."

and disorder in their neighborhoods have decreased significantly across every measure we tracked. For example, in 2001, more than 70 percent of the respondents rated each of four indicators of social disorder (drug trafficking, sales, loitering, and gangs) a big problem; in 2009, fewer than 25 percent viewed these issues as a major problem in their community. Likewise, the proportion of respondents who rated three indicators of violence (shootings and violence, attacks, and sexual assault) as a big problem decreased by more than half. Finally, complaints of big problems with physical disorder (trash and graffiti) in 2009 were 40 percentage points lower than they were in 2001. Official crime statistics support respondents' perceptions; on average, they now live in communities where the crime rate is half the level reported in Madden/Wells in 2001.

- In 2005, we raised serious concerns about the youth whose families were still living in Madden/Wells. But in 2009, we find a more hopeful picture overall, especially for young adults (ages 18 to 22), many of whom appear to have aged out of many of the problems their parents reported in 2005. In general, young women appear to be faring better than young men, and, surprisingly, there are no longer any differences between those whose families are living in traditional public housing and those whose families are in the private market. However, our data also indicate that a worrying proportion of these young people have faced the prospect of parenting: 8 percent of school-age youth and 28 percent of young adults have gotten pregnant or gotten someone else pregnant.
- Finally, although their quality of life has improved substantially, and just over 25 percent now live in low-poverty communities where the poverty rate is less than 15 percent, most Madden/Wells families still live in neighborhoods that are poor and predominantly African-American.

Significant Challenges Remain

The 2009 Chicago Panel Study shows that CHA families' well-being has improved in important ways—they now live in substantially higher-quality housing and in dramatically safer neighborhoods than the Madden/Wells development. At the same time, the study also highlights the significant challenges that remain—particularly CHA residents' shockingly poor health and persistently low levels of employment—problems that will require more intensive, focused interventions.

- Since 2005, respondents' health has continued to deteriorate rapidly; the levels of reported health problems in 2009 are stunning and the mortality rate is shockingly high. At each wave of the Panel Study, we asked respondents to rate their health on a five-point scale from "excellent" to "poor." In 2009, Madden/Wells respondents' ratings of their overall health were significantly worse than the already-bad ratings of previous years. In 2009, *more than half* (51 percent) of respondents identified their health as "fair" or "poor," up from 37 percent in 2001 and four times as high as the rate for the general population. More than half suffer from two or more serious chronic conditions (e.g., diabetes, hypertension, obesity), and respondents report severe difficulty in carrying out activities of daily living (e.g., walking up a flight of stairs) at rates well above national averages. They also suffer high rates of serious mental health problems, with 17 percent reporting poor overall mental health and 8 percent reporting major depression. The one bright spot in all of this bad news is that respondents in 2009 reported a reduction in anxiety issues after relocation—possibly because of improved safety: 17 percent reported having anxiety episodes in the 2009 follow-up, a significant decrease from the 2001 baseline, when 28 percent reported experiencing anxiety.
- The CHA has increased efforts to promote self-sufficiency for its residents

"Significant challenges remain: CHA residents' shockingly poor health and persistently low employment."

through its FamilyWorks case management services and Opportunity Chicago, whose goal is to connect CHA residents to the labor force.⁶ In its boldest move, the agency introduced a work requirement for all residents of its traditional public housing properties in January 2009. Our findings in 2009 indicate that employment rates for Madden/Wells respondents remain persistently low, although these rates reflect considerable cycling in and out of the labor market. Not surprisingly, poor health remains the biggest barrier to employment. However, although employment rates have not increased, there has been some increase in household income. Finally, we find that the work requirement may have begun influencing residents' behavior, as respondents report having enrolled in job training or work readiness classes.

- Madden/Wells respondents continue to report experiencing considerable economic hardship, particularly difficulty in paying utilities and worrying about running out of food. As in 2005, it appears that respondents might be making trade-offs, choosing to pay their rent on time to remain lease compliant and delaying utility payments.
- Finally, although no former residents currently live in a community where the poverty rate approaches that of Madden/Wells (72 percent), more than half live in a census tract with a poverty rate greater than 25 percent, and virtually none live in racially diverse communities. While certainly an improvement over distressed public housing, these racially and economically segregated neighborhoods still offer little opportunity for residents to improve their economic circumstances.

Implications for Policy and Practice

After the four-year HOPE VI Panel Study follow-up of 2005, we questioned whether CHA's Plan for Transformation would have a mixed legacy for residents, with for-

mer residents who had received vouchers or succeeded in moving into mixed-income housing far better off, and those left behind in traditional public housing still living in unacceptably poor conditions (Popkin 2010). In light of those earlier findings, the findings from the 2009 eight-year follow-up are truly stunning; there is no question that, regardless of where they live, CHA relocatees' quality of life has improved dramatically. The CHA's transformation efforts have achieved the goal of making sure that CHA families no longer have to endure deplorable housing conditions and constant fear from living with overwhelming levels of violent crime and disorder. The fact that significant challenges remain does not undermine the magnitude of this achievement.

However, to build on these accomplishments and make sure these gains are not lost, the CHA will need to continue its aggressive focus on improving management and resident services.

- The CHA must recognize that these gains, however impressive, are fragile. To sustain these improvements, the CHA must remain vigilant about monitoring the private companies that now manage its mixed-income and traditional public housing developments. Further, the CHA must continue to work with the Chicago Police Department to ensure that CHA properties remain safe and decent places for its residents to live. Finally, the housing authority should continue funding its comprehensive resident service programs to ensure that troubled residents receive the support they need to reduce the chance that they could create serious problems that threaten overall conditions in their developments or put them at risk of losing their housing.
- The CHA should ensure that its supportive services and relocation programs include a focus on youth. In particular, services should help children and youth transition to new neighborhoods and schools. In addition to helping youth adjust to their new

communities, this strategy will help support management and reduce problems with crime and disorder.

- The CHA should also make an aggressive effort to address the health crisis among its families. The agency should explore partnerships with the Department of Public Health and local health care providers, as well as other options, such as public health interventions, that train residents to be community health workers. The CHA should also work to promote healthy living and physical activity, acknowledging that residents will not be physically active unless they feel safe being outside in their community. Therefore, one critical thing the CHA can do is to sustain the safety improvements that have so improved the overall quality of life for residents of its public housing and mixed-income developments. The agency should also look for resources or partnerships to create recreation centers in or near its developments or potentially to provide “scholarships” for gym membership for CHA residents.
- The CHA should continue its efforts to connect residents to the workforce. Although we did not see a significant shift, our results make clear that even CHA residents who work often find it difficult to stay employed. Particularly during these tough economic times, these residents need support and incentives to continue to keep trying to achieve regular employment. The CHA should also consider alternative definitions of self-sufficiency for residents whose health or personal challenges make achieving regular employment unlikely.
- Finally, while conditions for CHA families have improved substantially as a result of relocation, the reality is that they continue to live in moderately poor, moderately high-crime, racially segregated neighborhoods that offer few real opportunities for themselves or their children. The CHA needs to continue exploring strategies that encourage fam-

ilies to move into low-poverty opportunity areas and continue reducing the barriers that prevent its residents from accessing the opportunities and services that these communities provide.

Notes

1. For a full description of the HOPE VI Panel Study research and final results, see Popkin, Levy, and Buron (2009). For more detail, see the baseline report (Popkin et al. 2002) and the previous two series of Urban Institute policy briefs (<http://www.urban.org/projects/hopevi/index.cfm> and <http://www.urban.org/toolkit/policybriefs/subjectbriefs.cfm?documentypeid=122>).
2. Chicago Housing Authority, “The Plan for Transformation,” http://www.thecha.org/pages/housing_choice_voucher_program/pages/the_plan_for_transformation/22.php.
3. See, for example, Bennett et al. (2006); Venkatesh et al. (2004); and Popkin and Cunningham (2005).
4. We used weights for all statistical analyses to account for differences in baseline characteristics among those who remained in the sample and those who had dropped out for reasons other than mortality. Of the 37 nonrespondents who are not deceased, 10 were contacted but not surveyed for reasons ranging from incapacitation to broken appointments. Among the other 27 people, 13 could not be found, 6 were receiving housing assistance according to CHA records, 4 had moved out of state, 1 was incarcerated, 1 refused to answer the door, and 2 were listed in CHA data as having an illness.
5. All reported differences in means and proportions are significant at the $p < .10$ level unless otherwise noted.
6. Opportunity Chicago, <http://www.opportunitychicago.org/>

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The Chicago Panel Study

The Chicago Panel Study is a follow-up to the five-site HOPE VI Panel Study, which tracked resident outcomes from 2001 to 2005. The Chicago Panel Study continues to track the residents from the Chicago Housing Authority's Ida B. Wells Homes/Wells Extension and Madden Park Homes who were part of the original HOPE VI Panel sample. In October 2009, the CHA marked the 10th anniversary of the Plan for Transformation; the purpose of the Chicago Panel Study is to track the circumstances of the families in the Chicago HOPE VI Panel Study sample to assess how they are faring as the Plan for Transformation progresses.

Revitalization activities began in Madden/Wells in mid- to late 2001, and the last residents were relocated in August 2008. At the baseline in summer 2001, we surveyed a random sample of 198 heads of household and conducted in-depth, qualitative interviews with seven adults and seven children. We conducted follow-up surveys and interviews for the HOPE VI Panel Study in 2003 (n = 174, response rate 88 percent) and 2005 (n = 165, response rate 83 percent). In 2009, when we attempted to track the original Madden/Wells sample for the Chicago Panel Study, we surveyed 136 heads of household (response rate 69 percent) and conducted in-depth interviews with 9 adults and 9 children. The largest source of attrition between 2001 and 2009 was mortality; we were able to locate, if not survey, nearly all original sample members in the 2009 follow-up.

The principal investigator for the Chicago Panel Study is Susan J. Popkin, Ph.D., director of the Urban Institute's Program on Neighborhoods and Youth Development. Funding for this research was provided by the John D. and Catherine T. MacArthur Foundation. Finally, we wish to thank the CHA, the many colleagues who have assisted with and commented on this research, and most of all, the Chicago Panel Study respondents, who have so generously shared their stories with us for so many years.

The views expressed are those of the authors and should not be attributed to the Urban Institute, its trustees, or its funders.

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