

DECONCENTRATING POVERTY IN MINNEAPOLIS

HOLLMAN v. CISNEROS



HOLLMAN v. CISNEROS

Deconcentrating Poverty in Minneapolis

Reports 1–8

by Edward G. Goetz

Center for Urban and Regional Affairs
University of Minnesota



UNIVERSITY OF MINNESOTA

A publication of the Center for Urban and Regional Affairs (CURA), an all-University applied research and technology center at the University of Minnesota that connects faculty and students with community organizations and public institutions working on significant public policy issues in Minnesota.

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INTRODUCTION

The consent decree in *Hollman v. Cisneros*, signed in 1995, committed the Minneapolis Public Housing Authority, the U.S. Department of Housing and Urban Development, and their co-defendants to a series of dramatic policy changes. First, four north side public housing projects and dozens of scattered-site public housing units would be reviewed for possible demolition or disposition. Second, the defendants would create up to 770 units of replacement public housing in nonimpacted areas of the city and suburbs. Third, the displaced residents of the demolished scattered-site and north side public housing were to be relocated with public assistance. Fourth, the 73-acre north side site was to be redeveloped. Fifth, hundreds of tenant-based housing subsidies would be made available to Minneapolis public housing residents to enable them to move out of areas of race and poverty concentration. Sixth, changes in the operation of the Minneapolis Section 8 program would occur to make it easier for participants to exercise geographic choice. Finally, an affordable housing clearinghouse would be created to provide low-income families a centralized source of information about housing options in the metropolitan area.

The Center for Urban and Regional Affairs (CURA) at the University of Minnesota was contracted by the Family Housing Fund of Minneapolis–St. Paul and by the State of Minnesota in 1998 to conduct an evaluation of the implementation of the consent decree. This publication contains all eight reports generated by the consent decree.

HOLLMAN v. CISNEROS

Deconcentrating Poverty in Minneapolis

Report No. 1: Policy Context and Previous Research on Housing Dispersal

by Edward G. Goetz

Center for Urban and Regional Affairs
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INTRODUCTION

In July 1992, attorneys for the Minnesota Legal Aid Society and the National Association for the Advancement of Colored People (NAACP) filed suit in federal district court on behalf of a group of plaintiffs living in public housing in Minneapolis.¹ Originally called *Hollman v. Kemp* it was renamed *Hollman v. Cisneros* with the change of administration resulting from the 1992 presidential election. The complaint alleged that the public housing and Section 8 programs in Minneapolis had been operated in a manner that helped to create and perpetuate racial segregation. The original defendants named in the suit were the Minneapolis Public Housing Authority (MPHA), the City of Minneapolis, the Minneapolis Community Development Agency (MCDA), and the U.S. Department of Housing and Urban Development (HUD). In 1994, the Metropolitan Council of the Twin Cities was added as a defendant. The defendants offered to enter into settlement negotiations with the plaintiffs that eventually lasted close to two years.

In April 1995, the parties signed a consent decree that committed the MPHA, HUD, and their co-defendants to a series of dramatic policy changes. First, four north side public housing projects and dozens of scattered-site public housing units would be reviewed for possible demolition or disposition. Second, the defendants would create up to 770 units of replacement public housing in nonimpacted areas of the city and suburbs. Third, the displaced residents of the demolished scattered-site and north side public housing were to be relocated with public assistance. Fourth, the 73-acre north side site was to be redeveloped. Fifth, hundreds of tenant-based housing subsidies would be made available to Minneapolis public housing residents to enable them to move out of areas of race and poverty concentration. Sixth, changes in the operation of the Minneapolis Section 8 program would occur to make it easier for participants to exercise geographic choice. Finally, an affordable housing clearinghouse would be created to provide low-income families a centralized source of information about housing options in the metropolitan area.

The consent decree negotiated between the parties clearly reflected several public policy themes prominent at that time. The first was a shift in HUD's public housing policy that emphasized the demolition of troubled projects and redevelopment of those sites into lower density, mixed-use, mixed-income communities. Second, HUD was also in the process of shifting much of its policy efforts away from "production" programs (funding the construction or rehabilitation of units) and toward "household-based assistance" (providing subsidies directly to families for use in the private market). One of the justifications for this shift was

¹ This account of the history of the consent decree borrows heavily from Thompson (1996).

an attempt to provide subsidized families with greater locational choice. Third, concerns were growing about “concentrations of poverty” and their negative consequences, and these concerns were coming to dominate the affordable housing policy debate both nationally and in the Twin Cities. Fourth, at that time there was a growing interest in regional solutions to affordable housing issues in metropolitan areas. The lead attorney for the plaintiffs, for example, credited the influence of Minnesota State Representative Myron Orfield (DFL-Minneapolis) with orienting the settlement negotiations toward a regional focus (Thompson 1996). The consent decree in *Hollman v. Cisneros* reflects all of these factors, and thus represents an important test case for many of the assumptions underlying federal housing policy at the beginning of the 21st century.

The Center for Urban and Regional Affairs (CURA) at the University of Minnesota was contracted by the Family Housing Fund of Minneapolis–St. Paul and by the State of Minnesota in 1998 to conduct an evaluation of the implementation of the consent decree. This is the first in a series of eight reports generated by the consent decree.

This report summarizes the state of knowledge related to the federal housing policy paradigm. It begins by briefly summarizing recent research done on the issue of concentrated poverty and how “neighborhood effects” are transmitted to individuals (i.e., how people are affected by their neighborhood environments). It then reviews research demonstrating how the operation of federal housing policy has contributed to concentrated poverty. Next, the report examines what is known about several types of housing policies that are used to reduce concentrations of poverty. These programs attempt either to disperse subsidized units or to disperse subsidized families. The report looks at decades of research that indicates the potential of these strategies to significantly disperse people of low income. It also examines the more recent record of efforts to redevelop public housing, create mixed-income communities, and provide for greater residential choice. This report constitutes the most wide-ranging review of the relevant policy issues available, and can serve as the basis for evaluating the implementation of the consent decree in *Hollman v. Cisneros*.

PART ONE: CONCENTRATION OF POVERTY

Publication of William Julius Wilson's (1987) *The Truly Disadvantaged* triggered more than a decade of scholarly and policy discourse about the dynamics of poverty in urban America. Wilson documented the extreme living conditions of the urban underclass, and argued that their systematic marginalization from mainstream social, economic, and political life produced an adaptive set of behavior norms. Wilson's work generated three streams of inquiry (Jargowsky 1996): some argued with Wilson about what factors caused concentrated poverty, others expanded on his research to document the scope of concentrated poverty nationwide, and still others examined the consequences associated with extreme and concentrated poverty. Much of this report and those to follow focus on a fourth variant of Wilson's work: the policy implications of concentrated poverty and the politics associated with those policies (Goetz 2000a).

The concentration of poverty has taken center stage in American urban policy during the past decade. Fighting concentrated poverty was the organizing framework of federal housing and community development policy during the 1990s. Former U.S. Department of Housing and Urban Development (HUD) secretary Henry Cisneros was especially vocal about the problem during his term in office from 1992 to 1996, saying "one of the greatest challenges to America's urban future is the persistent concentration and isolation of poor people and minorities in the central cities of our great metropolitan areas" (Cisneros 1995, 4). One policy analyst suggests that concentrated poverty is "the principal problem in American domestic life—a problem that poisons not just race relations but also our attitudes toward education, law enforcement, and city life itself" (Lemann 1991, 35, cited in Polikoff 1997).

The empirical investigations about the extent of the problem and its implications have taken on great public importance. Danziger and Gottschalk (1987) operationalized concentrated poverty as neighborhoods (or census tracts) in which more than 40% of the population was below the poverty level. Jargowsky and Bane (1991) validated that threshold with field observations in several cities. An alternative method of measuring the scope of concentrated poverty has been to measure the behavioral patterns associated with the underclass (Ricketts and Sawhill 1988).

Studies show that while concentrated poverty census tracts were rare in American cities in 1970, they were much more prevalent in 1980, and by 1990 they were ubiquitous (Danziger and Gottschalk 1987; Jargowsky 1996). From 1970 to 1990, the number of pock-

ets of high poverty more than doubled, and the number of persons living in neighborhoods of concentrated poverty increased from 4.1 million to 8 million (Jargowsky 1996). Concentrated poverty is most severe in the midwestern and northeastern regions of the country, and members of minority groups are far more likely to live in high-poverty neighborhoods than are Whites (Jargowsky 1996; Schill 1991).

There is, however, some debate as to whether the focus on concentrated poverty distorts the picture of poverty in America, as well as the picture of urban poverty. Jargowsky, using the 40% below poverty threshold for defining “high-poverty areas,” suggests that about 8 million people live in these neighborhoods. Yet, as Ellwood (1988) points out, and as Jargowsky acknowledges, most poor people do not live in neighborhoods of concentrated poverty. In the 1980s, less than 10% of the nation’s poor lived in such neighborhoods within urban areas. Furthermore, the common perception of these communities underestimates, according to Jargowsky (1996), the economic and social diversity that exists within areas of concentrated poverty.

In any case, concerns about concentrated poverty had become the organizing concept for American urban policy at the end of the century. Federal housing and community development policy has come under significant scrutiny for its role in creating concentrated poverty.

CAUSES OF CONCENTRATED POVERTY

Explanations of the causes of concentrated poverty are beginning to converge on an understanding that stresses the importance of local contextual factors and the variability of the process across metropolitan areas. This has transformed the earlier debate that pitted several different explanations against each other. Wilson (1987), for example, argued that macroeconomic changes in the U.S. economy have adversely affected minority central-city residents. Higher concentrations of urban poverty, according to this view, are the result of global economic changes that have restructured local economies and eliminated employment and income sources for many low- and moderate-income people. A second part of the Wilsonian explanation identifies the exodus of the Black middle class from central-city neighborhoods following enactment of the Fair Housing Act of 1968 and the limited opening up of suburban areas to African American families (Schill 1991; see also Jargowsky 1996).

In a similar argument, the “spatial mismatch” hypothesis suggests that lower income populations are trapped in economically obsolete inner cities away from the dynamic growth centers of the economy that are now increasingly located in suburban and non-metropolitan areas (Hughes 1989; Kain 1968; Kasarda 1989; Ihlandfeldt and Sjoquist 1998). The growth of the urban underclass is tied, in this explanation, to the shift in the industrial economy during the 1970s to a high-skill, technology-oriented economy whose

job base is increasingly located in suburban areas. Job requirements with respect to both skill and education increased, and the suburban location of job growth made many of the new jobs physically inaccessible to low-income persons. As a result, residential location explains a large percentage of metropolitan White-Black employment rate differences, according to Stoll (1999).

Yet, as noted earlier, many analyses have shown that concentrated poverty is disproportionately experienced by people of color (Jargowsky 1996; Jargowsky and Bane 1991; Kasarda 1989; Mincy 1988). Thus, explanations of concentrated poverty must take into account the racial character of urban ghettos and the legacy of housing discrimination and segregation that created them (see, for example, Bullard and Lee 1994; Massey and Denton 1993; and Massey and Eggers 1990). Recent studies suggest there is evidence of continued racial discrimination in employment, particularly in the suburbs (Stoll 1999). Arguments about the declining significance or occurrence of racial discrimination in housing are simply not supported by the data (Yinger 1998). The actions of professionals in the real estate field, and those of “gatekeepers” within communities (Desena 1994), continue to limit geographic choice among minority groups. Intentional segregation and discrimination in the siting of public and assisted housing has also been identified as a contributor (Massey and Kanaiaupuni 1993; Holloway et al. 1998; Carter et al. 1998).

Arguments about the relative roles of structural economic changes, segregation, and public housing complement earlier ones that emphasized a slightly different set of impediments to economic and racial integration. These arguments also focused on the systematic private and public disinvestment from central-city areas in favor of outlying areas and smaller metropolitan areas, the exclusionary housing and zoning policies of suburban communities, and other government programs such as the Federal Housing Administration (FHA) (Jackson 1985; Judd 1999). Even tax incentives built into the capital gains tax that defer payments for those who sell their homes and purchase others of equal and greater value had the effect of spreading wealthier families outward from the central city (Bier and Maric 1994).

More recently, analysts have explored the relationship between governmental fragmentation and segregation by income and race. Rusk (1999), for example, suggests that the ability of central cities to annex territory and thus capture the benefits of regional growth is a strong predictor of the level of racial segregation and concentrated poverty across metropolitan areas. Furthermore, the high level of government fragmentation encourages the kind of metropolitan development that reinforces economic segregation. Sprawling metropolitan areas, according to Rusk (1999), generally work to keep poverty in central areas and allow the continued and heightened degree of economic polarization in metropolitan areas. Downs (1999), on the other hand, reports that quantitative analysis does not link sprawl with concentrated poverty.

The most recent analyses synthesize these different perspectives into an explanation of concentrated poverty that stresses the variability of the phenomenon and the complementary effects of multiple factors. Jargowsky's relatively early (1996) observation that there are regional variations in the degree and timing of concentrated poverty suggests that causes may vary across regions and cities as well. Holloway et al. (1999) and Cooke (1999), for example, argue that concentrated poverty is the result of both distributional forces (forces that spatially redistribute population within a region, such as racial and class-based residential segregation and middle-class out-migration), and rate factors that affect the aggregate amount of wealth and income in a region (such as industrial mix and regional business cycle characteristics).

In their study of metropolitan Columbus, Ohio, Holloway et al. (1999) find that metropolitan-level economic trends increased the exposure to neighborhood poverty among poor Blacks. At the same time, they note that the poor, on the whole, made integrative moves that actually worked to reduce concentrations of poverty. It was the spatial redistribution of the nonpoor, and their tendency to further segregate themselves from the lower income households, that increased neighborhood poverty rates in that metropolitan area.

Cooke's (1999) national cluster analysis of high-poverty census tracts strongly suggests that the causes of concentrated poverty "depend on the regional and local geographic context" (564). Cooke's analysis reveals four major clusters of poverty tracts that represent different processes producing concentrated poverty. The first cluster, the most common of the four, is associated with rates of income segregation and economic growth within metropolitan areas. There is no particular regional focus in this first cluster. Cities in which this process was most prevalent include Spokane, Washington; Erie, Pennsylvania; Amarillo, Texas; Denver, Colorado; and Peoria, Illinois. The second cluster describes neighborhoods in immigrant gateway cities with mixed-race ethnic/immigrant enclaves. These cities include New York, Los Angeles, and Miami, as well as El Paso, San Antonio, Brownsville, and Laredo, Texas. The third cluster of census tracts is associated with high rates of racial segregation that confine poorer minority groups to the most disadvantaged neighborhoods. Cities most characterized by this type of concentrated poverty tend to be mid-sized southern cities, including Atlanta, Georgia; Jackson, Mississippi; St. Louis, Missouri; Montgomery, Alabama; Shreveport, Louisiana; Memphis, Tennessee; New Orleans, Louisiana; and Baltimore, Maryland. The final cluster of high-poverty neighborhoods occurs in older, segregated, industrial cities that suffered job loss as a result of economic restructuring, and deindustrialization. Cities characterized by this type of concentrated poverty include Chicago, Philadelphia, Milwaukee, and Cleveland.

Finally, there is a school of thought that places the blame for concentrated poverty on the personal characteristics of the poor who live in these communities, and the role of

public policies in creating dependency and exacerbating the problems of urban poverty (Mead 1986; Mead 1992; Murray 1984; Banfield 1970).

The focus of the following examination, however, is on the evidence that points to the role of subsidized housing in creating and maintaining patterns of concentrated poverty in American urban areas.

SUBSIDIZED HOUSING AND ITS IMPACT ON CONCENTRATED POVERTY

Several analyses across a number of decades have made the connection between the location of public housing and high levels of racial segregation and concentrated poverty (see Taeuber and Taeuber 1965; Hirsch 1996; Bauman 1987; Massey and Kanaiaupuni 1993; Holloway et al. 1998; Goering, Kamely, and Richardson 1997; and Carter et al. 1998). Public housing has been referred to as “vertical ghettos,” and has been implicated in the growth of the urban underclass (Hirsch 1996). Schill (1991), Schill and Wachter (1995), and Turner (1998) claim that the overconcentration of public and subsidized housing has had measurable negative impacts on urban neighborhoods and has hastened neighborhood decline and disinvestment.

How Public and Subsidized Housing Came to Be Concentrated

There are two features of the federal public housing program that led to public housing units becoming concentrated in central-city neighborhoods. The first is the marriage of public housing with slum clearance in the 1949 Housing Act, and the second is the high degree of local autonomy in the program.

Slum Clearance

From its inception, the shaky political strength of the public housing program has been well noted (see, for example, Keith 1973; Gelfand 1975; Weiss 1985; Friedman 1968). From the beginning of congressional consideration of public housing in the 1930s, and even more so before enactment of the 1949 Housing Act, public housing had been tied to slum clearance (Weiss 1985). One of the chief justifications for engaging in public housing has always been its role in clearing previous slums. Hirsch (1996) argues that this coupling of public housing and slum clearance ensured that the housing would be built in areas already characterized by high-poverty and high-minority concentrations, leading to the creation of what he calls a “federally sponsored second ghetto.”

Slum clearance meant that public housing was located in central cities, not in outlying areas. It meant that public housing was built in the most troubled neighborhoods. It also meant that public housing tended to be built on relatively expensive land near the urban

core rather than in less expensive outlying and undeveloped areas. This was one of the contributing factors that led to the practice of building at higher densities to economize on land (Schill and Wachter 1995).

The public housing program, in its original form, also incorporated a clause calling for the “equivalent elimination” of dilapidated housing. That is, for every unit of public housing created, one unit of dilapidated housing was to be demolished. This, too, focused public housing development toward central cities and slum clearance (Schill and Wachter 1995).

Local Authority and Site Selection

The 1935 federal district court decision in *U.S. v. Certain Lands in the City of Louisville* held that the federal government could not use the powers of eminent domain to clear slums to build public housing. State courts, on the other hand, were not so limiting, and local authorities were allowed to combine eminent domain with public housing construction (Fisher 1959). The federal government chose not to appeal the Louisville decision and thus accepted the limitations imposed by the ruling. Congress went on to incorporate the idea of local authority into the public housing program (Schill and Wachter 1995). As a result, public housing would not be owned and operated by the federal government, but rather by local public housing authorities created by states and localities, and to a large extent, under the control of these local legislative bodies.

The public housing program incorporated a strict policy of local control based on two mechanisms. First, there were various controls over participation in the program. Jurisdictions that wanted to participate in the program had to take highly public and positive steps before any units could be built. Localities had to create a local public housing authority (PHA) to receive the federal funds to construct, manage, and operate the public housing units. In addition, a “cooperating agreement” between the PHA and the local government was necessary before units could be built. In some places, state law required special referenda before a PHA could be established. Second, once a locality had taken the steps to become a participant in the program, local governments had absolute control over the siting of public housing units. This ensured that low-rent public housing would be located only in those neighborhoods approved for it by local politicians.

Because public housing was the federal government’s only housing assistance program targeted to low-income families for 20 years between 1939 and 1959, this policy of local veto power over subsidized housing easily came to be regarded as a matter of right for local officials, and one that could naturally be extended (and often was) to other forms of subsidized housing and low-cost housing more generally.

The 1954 amendments to the 1949 Housing Act strengthened local control by requiring that local governments file a “workable program” to receive redevelopment or public housing funds, adding yet another step to the process of program participation. Even the public housing innovations of the 1960s (turnkey and privatization) did nothing to change

the fundamental condition of local autonomy. Local autonomy also provided the opportunity to opt out of subsidized housing programs altogether, an option chosen by many suburban areas.

Most suburbs simply avoided public housing by never creating local housing authorities (McDonnell 1997). In states where the enabling legislation allowed housing authorities to cross jurisdictional boundaries and operate in a neighboring community not served by an authority, PHAs were created to do nothing in order to avoid unwanted public housing. For example, DuPage County, Illinois, established a PHA in 1942 that went more than 30 years before building a single unit, and the Fulton County (Georgia) Housing Authority was created to prevent the Atlanta Housing Authority from developing public housing units in unincorporated parts of the county (Danielson 1976).

There is even some evidence that local officials in charge of the program contributed to the spatial bias of the program. In Cuyahoga County, Ohio, the PHA built all of its units in Cleveland, and for 25 years did not build a single unit of public housing in any of the 66 suburban municipalities (Rabin 1987). A 1967 survey by Hartman and Carr (1969) of local PHA board members in cities across the nation found that 42% of the respondents disagreed with the contention that tenant assignment should promote racial integration.

That local politicians from the 1940s through the 1970s were responsible for decisions related to the placement of public housing virtually ensured that the housing would be constructed in high-poverty and high-minority neighborhoods. Decisions over the placement of public housing in many cities were made “to keep the Negroes where they were and so prevented the deterioration of property values and the other undesirable effects which were said to come from the movement of Negroes into outlying white areas” (Meyerson and Banfield 1955, 210).

Most public housing units (nearly 700,000) were built before the civil rights laws of the 1960s. Thus, antidiscrimination as a principal of public policy, and desegregation as an objective, did not exist when the original public housing projects were built. These units were built to conform to local patterns of segregated residential living.

In this respect, local authority and the slum clearance objective were complementary. In Chicago, for example, the city council decided to build public housing on slum sites before tearing down the slums in order to keep Blacks in their neighborhoods while the redevelopment was being carried out (Meyerson and Banfield 1955).

Thus, projects containing Blacks were built in or near existing Black neighborhoods, reinforcing existing segregation according to Goldstein and Yancey (1986; see also Meyerson and Banfield 1955; Rossi and Dentler 1961; Bickford and Massey 1991). During this time, almost 100% of potential project sites in White neighborhoods in Chicago were vetoed compared with 10% of potential sites in non-White neighborhoods (Tein 1992). From the mid-1950s until the mid-1960s, the mayor, city council, and Chicago Housing Authority (CHA) pursued a public housing siting protocol that guaranteed the location of

all new CHA developments in exclusively Black or racially changing areas (Bennett and Reed 1999). During the early years of the program, public housing was run according to the “neighborhood composition” rule, which stated that the residents of the public housing must mirror the ethnic distribution of the surrounding neighborhood. This was another way of ensuring that public housing, far from encouraging segregation, actually served the purpose of continued segregation.

The Housing Act of 1968 modified the local veto power over low-cost housing that had prevailed until then. The Section 235 and 236 programs created in 1968 required only a nonprofit or limited dividend partnership to secure construction funds from the federal government. These programs ended 30 years during which the principle of local autonomy established by the public housing program provided “the most widely employed and effective suburban defense against subsidized housing” (Danielson 1976, 93).

Tenant Selection

The income qualifications for public housing have also worked to concentrate poverty. Over time, Congress has enacted selection criteria that have targeted the most disadvantaged among the poor. This has led to lower income residents, as well as residents with more social problems and economic obstacles, and has in turn generated selective migration into the projects themselves and the neighborhoods that contain them (Massey and Kanaiaupuni 1993; see also Spence 1993; Schill and Wachter 1995). For example, income limitations grew more stringent in 1949 with the requirement that PHAs establish income ceilings and force those whose incomes exceeded these levels to move out. The legislation also mandated that PHAs give preference in admissions to those displaced by slum clearance (Schill and Wachter 1995). In 1979, Congress established preferences for families displaced or in substandard housing. Two years later, Congress mandated an income limit of 50% of the area median for most units. Homeless families were also given preferences to public housing during the 1980s, as were households paying more than 50% of their incomes on housing (Spence 1993). In 1974, slightly more than 1% of all households living in nonelderly developments earned less than 10% of the area’s median income; this proportion grew to more than 19% in 1991 (Schill and Wachter 1995).

Spatial Concentration of Public and Assisted Housing

Concentration of Units in Central Cities

The factors mentioned above have served to concentrate public housing—and to a lesser extent, other forms of subsidized housing—in the central cities of American urban areas. By the 1990s, more than 61% of all public housing units were in central cities, only 19% in suburban areas, and another 19% in non-metropolitan areas.

One study of 10 metropolitan areas showed that public housing units exceeded the central city's share of income-eligible residents by 20 or more percentage points in seven of the metropolitan areas (Gray and Tursky 1986). In Yonkers, New York, for example, most of the city's 13,000 units of public housing are located in the southwest quadrant of the city. In addition, over 95% of the city's other subsidized units are located in or adjacent to that same southwest corner (Briggs 1998). A study of Philadelphia's public housing showed that its public housing projects were located near the core in areas of low-housing value, and were not accessible to industrial job opportunities (Goldstein and Yancey 1986).

Other forms of subsidized housing, such as the Section 236, Section 221(d)(3), and project-based Section 8, are less spatially concentrated than public housing (Gray and Tursky 1986), but they nevertheless show evidence of strong spatial concentration. Nationally, only 47% of privately owned subsidized housing is located in central cities, 33% in suburbs, and 20% in non-metropolitan areas (Newman and Schnare 1997). In Chicago, census tracts that had any public housing averaged 345 units of public housing, compared to an average of only 129 project-based Section 8 units in census tracts where they were located (Warren 1986). This is a pattern repeated for other cities.

Although more units of subsidized housing have been built outside of central cities in recent decades, the patterns of concentration have not changed dramatically. According to Schill and Wachter (1995), 1.1 million of the 3.5 million federally subsidized units for low- to very low income families were built in the suburbs. However, most of those have been built in close-in suburbs and were located in low-income areas. Burchell et al. (1994) suggest an estimate of only 250,000 low-income housing units being built in middle- or upper-income suburbs between 1973 and 1993. These units are typically reserved for existing suburban residents or the elderly (Polikoff 1997, 66).

The tenant-based Section 8 program is the least concentrated of federal housing assistance programs. As this program has grown over time and become a larger share of all subsidized housing, the overall concentration of subsidized housing has diminished. Nevertheless, even these tenant-based Section 8 subsidies, clearly the most mobile form of housing assistance, are overrepresented compared to need in most central cities (Gray and Tursky 1986).

Concentration by Racial Makeup of Neighborhoods

As described above, local siting decisions allowed public housing to be placed in areas that reinforced local patterns of racial segregation. In Chicago, more than 99% of the public housing units in the city were placed in areas that were more than 50% Black (HUD 1994; Massey and Kanaiaupuni 1993).

In Philadelphia, public housing was built in areas that were becoming Black, and the introduction of public housing did not much affect the trajectory of these neighborhoods (Goldstein and Yancey 1986). In fact, according to Bauman (1987), "all of the projects

planned and built [in Philadelphia] from 1956 to 1967 were sited in ghetto or ‘transitional’ neighborhoods” (169).

Public housing is much more likely to be located in racially concentrated areas than other forms of subsidized housing. In Washington, D.C., Black census tracts have more than 6.2 times the average number of subsidized units, with project-based units being more racially skewed than tenant-based forms of assistance. Black tracts have 15 times more public housing units and 8 times more project-based units of all types compared to White tracts. However, tracts that are predominantly Black have only 3.4 times as many certificates and 2.1 times the vouchers that White tracts have (Hartung and Henig 1997).

Thirty-seven percent of public housing in the United States is located in neighborhoods with more than 80% minority households, compared to only 21% in low-minority neighborhoods (defined as neighborhoods with less than 10% minority residents; see Table 1). Privately owned subsidized housing and tenant-based subsidies are significantly less likely to be located in high-minority communities than is public housing (10% of tenant-based subsidies and 15% of privately subsidized housing are in neighborhoods with more than 80% minority residents, and 42% of private developments and 44% of tenant-based subsidies are in neighborhoods with fewer than 10% minorities; see Newman and Schnare 1997; Warren 1987; and Gray and Tursky 1986).

Concentration by Neighborhood Income

Despite the strong patterns of concentration by race, the evidence suggests that subsidized housing is most highly concentrated in low-income neighborhoods (Hartung and Henig 1997). As with race, public housing is the most highly concentrated form of subsidized housing.

Table 1. Distribution of Federally Subsidized Housing by Neighborhood Minority Status

	Public housing	Privately owned, publicly subsidized	Tenant-based subsidies
Low-minority neighborhood (<10% minority residents)	21%	42%	44%
High-minority neighborhood (>80% minority residents)	37%	15%	10%

Source: Adapted from Newman and Schnare (1997).

Table 2. Distribution of Federally Subsidized Housing by Neighborhood Poverty Level

Poverty rate	Public housing	Privately owned	Tenant-based
<10%	7.5	27.4	27.5
10–29%	38.9	50.7	57.8
30–39%	17.1	11.5	9.5
>40%	36.5	10.4	5.3

Source: Adapted from Newman and Schnare (1997).

Note: Figures are column percentages.

Nationally, 53.6% of public housing is located in census tracts in which more than 30% of the population lives below the poverty level, while only 7.5% is located in low-poverty neighborhoods (less than 10% of the population lives below the poverty level; see Table 2). In contrast, only 21.9% of privately owned, publicly subsidized units and 14.8% of tenant-based forms of assistance are in high-poverty neighborhoods (Newman and Schnare 1997; Turner 1998).

Similarly, 26% of public housing is in very low income neighborhoods (census tracts with median income below \$10,000), compared to only 2.3% of certificates and vouchers. At the other end of the scale, only 9% of public housing is located in neighborhoods with median incomes of more than \$30,000, compared to 27% of privately owned subsidized housing and 26% of certificates and vouchers (Newman and Schnare 1997).

A study of the Washington, D.C., metropolitan area shows that low-income census tracts have about 165 times as dense a concentration of public housing as was found in 81 tracts with median incomes greater than \$75,000 (Hartung and Henig 1997). The overall concentration of public housing in the region was 28 times greater in low-income tracts compared to very high income tracts. Certificates were 17 times more dense in low-income tracts and vouchers 21 times more dense (Hartung and Henig 1997).

In Chicago, Massey and Kanaiaupuni (1993) found that in 1970, the amount of public housing a neighborhood had was highly correlated with its poverty rate (see also Holloway et al. 1998 for evidence from Columbus, Ohio). Neighborhoods with more public housing also saw greater out-migration during the 1970s (Massey and Kanaiaupuni 1993).

Warren's (1987) study of subsidized housing in Baltimore and Chicago showed the same changes occurring over time in the two cities. Public housing is highly concentrated in both cities, although the implementation of the Section 8 program contributed to a steady decrease in the overall segregation of federally subsidized housing in the two cities. In Baltimore, unlike in Chicago, the new public housing units added during the 1970s also decreased the concentration greatly.

Concentration of Subsidized Housing by Neighborhood Housing Stock Characteristics

Public housing is also more likely to be located in neighborhoods with other assisted units. Only 24% of public housing units are located in neighborhoods in which less than 10% of the units are assisted, compared to 41% of privately owned subsidized units, and 80% of tenant-based subsidies. At the other end of the spectrum, 29% of public housing is in neighborhoods where more than half of all units are subsidized, compared to only 12% of privately owned subsidized units, and just 1% of tenant-based subsidies (Newman and Schnare 1997).

Segregation within Public and Subsidized Housing

Finally, there is a high level of segregation by race within public housing projects (Hirsch 1996; Bauman 1987). A study by Bickford and Massey (1991) indicates that African Americans generally predominate in family projects, comprising 58% of all households in this category, and segregation within subsidized housing is greatest among authority-owned family projects compared to elderly projects or privately owned projects. Slightly more than one-fifth (22%) of all local public housing authorities were judged in this study to be “highly segregated,” while another 45% were moderately segregated. A more recent analysis of public housing data shows a decline in segregation since the 1970s (Goering, Kamely, and Richardson 1997).

This pattern of segregation within public housing varies considerably across metropolitan areas. Segregation within public housing is generally greater in the larger metropolitan areas of the country, and in areas that have experienced a rapid growth in the Black population (Bickford and Massey 1991).

Table 3 describes the degree of segregation within public housing. The left-hand column of numbers represents the project and neighborhood characteristics of the typical African American family in public housing; the right-hand column describes those same conditions for the typical white family in public housing. The typical African American public housing resident lives in a project in which 85% of residents are also African American. The typical white public housing resident, on the other hand, lives in a project in which only 27% of the residents are black and 60% are white. These differences carry over to the neighborhoods in which the projects are located. As the table shows, the average African American resident lives in a neighborhood that is 68% Black; the average White public housing resident resides in a neighborhood that is 78% White.

Effects of Concentrated Public Housing

There are six published studies that directly measure the impact of concentrated public housing on the racial and poverty characteristics of communities. The preponderance of evidence suggests that concentrated public housing does result in socioeconomic changes in neighborhoods. The effects occur in two ways, one direct and the other indirect (Holloway

Table 3. Project and Neighborhood Characteristics for the Average African American and Average White Resident of Public Housing, 1993

	African American	White
Characteristics of the public housing project:		
Pct. African American	85	27
Pct. White	8	60
Pct. residents who are employed	25	27
Pct. single female-headed household	53	47
Pct. below poverty	80	74
Characteristics of the neighborhood in which the project is located:		
Pct. African American	68	15
Pct. White	25	78
Pct. residents who are employed	81	89
Pct. below poverty	47	26

Source: Adapted from Goering, Kamely, and Richardson (1997).

Note: Figures are column percentages.

et al. 1998). First, as already described, the families that reside in public housing are among the poorest in society. To the extent that many units of public housing are concentrated in a single neighborhood, the very fact of the overwhelming poverty of these residents results in a concentration of poverty. An example of this is the four-block area of Chicago's South Side that includes the Robert Taylor Homes. In 1980, this community was the poorest in the entire country due to the high number of units in the project and the low incomes of those residents.

The indirect effect of public housing concentration stems from its impact on the local housing market and the ways in which it can depress demand for housing in a neighborhood, producing an out-migration of the nonpoor (Holloway et al. 1998; Massey and Kanaiaupuni 1993).

Previous studies have found evidence for both the direct and indirect effects. In a study of Chicago public housing, Massey and Kanaiaupuni (1993) found that public housing in Chicago was built in predominantly Black neighborhoods, and that the existence of public housing in census tracts was related to the subsequent growth of poverty in those neighborhoods. The concentration of poverty was higher even in census tracts with public housing nearby. The 1980 poverty rate increased 11 percentage points when a housing project was located in that tract. Massey and Kanaiaupuni (1993) also found that public housing led to out-migration of higher income households from those neighborhoods.

In a similar analysis of Columbus, Ohio, Holloway et al. (1998) also found support for both the direct and indirect effects of public housing on neighborhood status. Interestingly, these authors found that concentrations of public housing have different impacts on White and Black populations. In tracts that had public housing in 1980, White poverty increased by more than 12 percentage points, while Black poverty rates jumped more than 16 percentage points. For Blacks, public housing has the effect of concentrating the groups most vulnerable to economic dislocation. For both races, housing market changes also contribute to concentrated poverty in public housing neighborhoods. More recent efforts to disperse public housing have avoided concentration effects. Holloway et al. (1998) found that dispersed public housing built in tracts that did not contain public housing in 1980 was not associated with an increase in poverty levels for Blacks.

A study of Yonkers, New York, shows only a slight impact of public housing on subsequent changes in racial composition of census tracts. Units built before 1970 concentrated minority residents directly because most of the units were inhabited by minorities. After 1970, public housing had a more indirect effect on racial change in neighborhoods by altering the mobility decisions of White residents (Galster and Keeney 1993, 179).

Evidence presented by Schill and Wachter (1995) in a study of Philadelphia confirms that the existence of public housing in a neighborhood contributes substantially to concentrated inner-city poverty. Increased levels of public housing in a neighborhood have a dramatic effect on neighborhood poverty. The average neighborhood with no public housing units had a 13% poverty rate. Neighborhoods that had just the average proportion of public housing had poverty rates that averaged 31.8%.

The one analysis that does not support the causal link between the siting of public housing and subsequent concentration of poverty is Goldstein and Yancey's (1986) study of Philadelphia. They found that public housing in that city was built in neighborhoods that were already becoming predominantly Black and lower income, and that the introduction of public housing did not alter the trajectory of those neighborhoods significantly.

WHY NEIGHBORHOODS MATTER

How is it that neighborhoods affect the social and economic outcomes of their residents? How are neighborhood effects transmitted to individuals? According to Ellen and Turner (1997), previous studies have highlighted six different ways such effects occur (see also Jencks and Mayer 1990). The first is through the differential quality of services made available to people in different neighborhoods. The most important services in this respect include public schools, after-school programs, childcare and daycare centers, and medical care. When the quality and amount of these programs is reduced for residents of some neighborhoods, their ability to work and compete in the labor market can be seriously impaired.

The second means by which neighborhood matters for individual outcomes is through the socialization of young people by adults. Wilson (1996) argues, for example, that growing up around few working adults means that children may end up underestimating or undervaluing the human capital return on education, and may learn less about developing the personal habits necessary to succeed in the workforce.

Third, neighborhood effects can be transmitted through peer influence. This is essentially the “contagion theory” of neighborhood effects, or the importance of “the company you keep” (Case and Katz 1991). These influences are generally greatest in adolescent years and can be positive or negative. Neighborhoods in which dropout rates, teen pregnancy rates, or drug usage are high, for example, produce a different set of peer influences than neighborhoods in which these events are more rare.

The fourth means by which neighborhood effects are transmitted is through social networks. The composition of social networks determines the degree of social capital to which one has access. If one’s network contains few people with decent employment, then one will be less likely to hear of good job opportunities, and be less likely to have an employed person personally recommend one for a job. The density of personal networks is also important. If one’s network is extremely dense, then information about outside opportunities can be redundant and less extensive than that received from looser networks.

The fifth dynamic at work in neighborhoods is exposure to crime and violence. People living in areas of high crime have a higher risk of victimization and can become more isolated through fear, thus reducing the size of their social networks. In addition, the desensitizing nature of exposure to violent crime can alter a person’s perspective on the world, and can lead to acceptance of norms of violence and criminality.

The last means discussed by Ellen and Turner (1997) is the sheer physical distance from employment and educational opportunities for people living in neighborhoods undergoing economic disinvestment. This is an adaptation of the spatial mismatch hypothesis, which suggests that the opportunity to take advantage of social and economic opportunities can be constrained by one’s distance from the location of those opportunities.

The form these neighborhood effects take has also been the subject of research. Galster and Zobel (1998), for example, suggest that the relationship between neighborhood conditions and individual effects might be nonlinear; that is, conditions might need to reach some threshold before effects are felt at the individual level. In addition, these authors argue that although direct family effects are stronger than neighborhood effects, neighborhood effects are greatest in families with the fewest resources.

Ellen and Turner (1997) argue that neighborhood effects vary across the lifecycle. Neighborhood effects on infants and toddlers are manifest indirectly through parents. Several studies suggest that the degree of social and institutional supports available to parents can have a significant impact on the development of young children (Coulton 1996; Furstenberg 1993; Ellen and Turner 1997). Other studies show that neighborhood effects

are strong for low-birth-weight infants in their first year (Brooks-Gunn et al. 1993; Duncan, Brooks-Gunn, and Klabanov 1994; Ellen and Turner 1997).

The effects of neighborhood on school-aged children and adolescents, however, are more direct. The strongest documented effect is on school achievement (Aaronsen 1997; Corcoran et al. 1989; Duncan 1994; Haveman and Wolfe 1994; Rosenbaum 1991; Jencks and Mayer 1990; Wells and Crain 1994; Datcher 1982; Crane 1991; and Ellen and Turner 1997). Brooks-Gunn et al. (1993) and Crane (1991) provide evidence that high school graduation rates, child cognitive development, and rates of teenage childbearing can be sensitive to neighborhood effects. The effects on young people go far beyond education, however. Evidence on the impact of neighborhood on employment for youth is mixed (see Ellen and Turner 1997), but evidence on sexual activity, crime, drug use, and church attendance are well documented (see, for example, Case and Katz, 1991; Crane 1991).

Studies of neighborhood effects on adults tend to focus on employment. The growth of low-skilled jobs on the fringe of urban areas disadvantages inner-city residents on the basis of spatial mismatch (Ihlandfeldt and Sjoquist 1998; Schill 1991; Stoll 1999), but also because of continuing racial discrimination in employment in suburban areas (Bendick, Jackson, and Reinoso 1994; Stoll 1999).

Finally, Pack (cited in Cisneros 1995) suggests that these increased social problems brought on by concentrated poverty in central-city neighborhoods leads to increased public costs. Her study of large American cities shows that those with high poverty levels have higher per capita expenditures for most municipal functions.

There is some research that shows benefits to lower income households through proximity to higher income neighbors. As with negative effects, benefits can be produced through social interaction with neighbors or through access to better neighborhood services and job opportunities. Aaronson (1997), Brooks-Gunn et al. (1993), and Duncan (1994) show that the presence of neighbors with incomes above \$30,000 has a significant positive impact on low-income youth. Contagion theory, socialization theory, and social capital theory suggest that benefits are produced when low-income people interact or share space with higher income people or people who are well-connected to the economy and labor force (Briggs 1997). Advocates for dispersal also identify numerous potential benefits including access to better jobs and schools, reduced fear of crime, greater housing satisfaction, and the benefits of diversity in neighborhoods (Burby and Rohe 1989; Downs 1973; Kain 1968; Rosenbaum 1991, 1995). Sampson (1999) argues that greater levels of social cohesion can reduce rates of violent crime. Wells and Crain (1994) show that African Americans who attended desegregated schools have more White friends, work in jobs with more White coworkers, and have higher wages than Blacks educated in segregated schools.

Dispersal is also seen as a response to spatial mismatch by placing lower income families closer to areas of job growth on the urban fringe. The argument goes that proximity to employment opportunities would improve information about potential job prospects, as well

as make commutes more possible (Schill 1991). On the other hand, this assumes that spatial mismatch is the only obstacle to employment for low-income persons, and that dispersal could be ineffective in situations where discrimination is prevalent (Schill 1991). Indeed, as Stoll (1999) argues, many fear that even if young, lower income, minority men could access entry level jobs in the suburbs, they would still face racial discrimination in the job market.

PART TWO: POLICY RESPONSES

This section of the report focuses on public policies related to housing and the housing mobility of lower income families. The policy response to concentrated poverty has been led by the U.S. Department of Housing and Urban Development (HUD). President Clinton's first secretary of HUD, Henry Cisneros, identified "highly concentrated minority poverty [as] urban America's toughest challenge" (HUD 1996, 1). In 1995, Cisneros toured the country and talked at each stop about the mistake in previous HUD policy of relying too heavily on high-rise public housing development (Hartung and Henig 1997), signaling a range of new HUD initiatives during the 1990s that focused on the dispersal of subsidized housing and subsidized families into communities with less poverty (see, for example, HUD 1994).

Political considerations have helped to foster HUD's interest in deconcentrating public and subsidized housing recipients. After the midterm election in 1994 gave control of both houses of Congress to the Republicans, HUD found itself in a precarious situation. With House Republicans publicly stating a desire to abolish the agency, Cisneros privately acknowledged the need for his agency "to quickly reposition itself rightward to survive" (Weisman 1996, 2517). The response was a plan to "reinvent" the agency, disavowing old supply-based housing strategies, and embracing policy options that had always been more favored by conservatives (Weisman 1996). This meant reducing support for subsidized housing development, and shifting to demand-based subsidies and block grants that gave local governments more discretion in their use of federal housing subsidies. These initiatives were outlined in the 1995 HUD Reinvention Blueprint, which called for the collapse of dozens of HUD programs into just three, most notably a conversion of public housing into an essentially privatized system relying entirely on tenant-based subsidies. One national observer called the blueprint "a sheer act of desperation" by an agency attempting to stave off its own elimination by a hostile Congress (Weisman 1996, 2517).

Regardless of the mix of motivations, federal housing policy during the 1990s has made a significant shift toward the use of tenant-based subsidies, the conversion of project-based assistance into a tenant-based form, and the deconcentration of publicly subsidized units out of central cities and neighborhoods of high poverty.

Dispersal programs typically, though not necessarily, are regional in scope. Given metropolitan-level patterns of subsidized housing described in part one of this report, true

dispersal of subsidized housing opportunities requires a metropolitan-wide approach, a reality recognized by the courts in their establishment of several regional programs around the country.

Dispersal programs do not necessarily require tenant-based subsidies. Some rely upon efforts to scatter subsidized units across a given area. Still, it is clear that tenant-based mobility programs are easier to administer than are project-based programs for a number of reasons. First, they are easier and quicker to start up, not requiring the lengthy process of land or building purchase and then construction. Second, because there is no need for building permits or zoning approval, there is less chance that household-based dispersal programs will encounter significant neighborhood resistance. Given the long tradition of opposition to subsidized housing by suburban communities (Danielson 1976), programs that can avoid high-profile public review are more likely to be implemented without resistance or controversy (or even to be implemented at all). This is a factor of major importance in designing dispersal programs. In fact, one of the major considerations in the implementation of the most well known dispersal program in the country, the Gautreaux program in Chicago, is to minimize neighborhood resistance by keeping the program “under the radar” of most local politicians and neighborhood groups.

DISPERSAL APPROACHES

There are a number of specific approaches to initiating a regional dispersal program dealing with concentrated poverty. The direct methods are through the initiation of a household-based mobility program, or through unit-based fair-share or scattered-site programs. These are the programs that this review will focus on. It is worth noting, however, that there are several other, more indirect ways of reducing concentrations of poverty. Bollens (1997) lists several of these, including the vigorous implementation of existing fair housing laws to prevent residential discrimination and segregation,² limiting regional suburban sprawl that has the effect of increasing regional income segregation, initiatives to balance job and housing development, regional impact analysis for new development, and regional fiscal sharing to attack the fiscal reasons behind segregation. To this list might be added transportation assistance (HUD 1994), and the reduction of zoning and land-use regulations that present obstacles to the development of affordable housing (Schill 1991).

Dispersal programs are generally contrasted with place-based strategies of community development that attempt to bring jobs and opportunities to disadvantaged neighborhoods. Dispersal approaches have gained ascendancy as a growing number of policy analysts from both the left and the right have come to regard community development efforts as extremely limited at best or outright failures at worst (see Lemann 1994; Murray 1984; Orfield 1997; Rusk 1999). By way of synthesis, some argue that effective dispersal programs can be the prelude to effective place-based efforts. As Schill (1991) argues, if poverty and

² For example, HUD regards its antihousing discrimination efforts as part of its larger mobility agenda (HUD 1994).

racial concentration are reduced in central-city neighborhoods through dispersal, economic development and residential revitalization might occur, attracting more jobs, more tax revenues, and greater levels of development to central neighborhoods.

One limitation on dispersal programs is the perceived risk to “receiving” communities. That is, suburban and outlying communities are not generally eager to receive very low income households, a concentration of which is believed to have negative effects on communities. Receiving communities quite naturally anticipate an increase in neighborhood stressors similar to those associated with concentrated poverty, including crime, delinquency, declining schools, and declining property values. In fact, it may be that the deconcentration of poverty argument is a singularly ineffective way to justify dispersal because it provides receiving communities with the precise rationale for opposition (Goetz 2000a).

Galster and Zobel (1998) argue that the potential negative effects of dispersal programs on receiving communities have been inadequately theorized and inadequately researched. They argue that there are several potential forms to the relationship between the introduction of poor households to a community and the social and economic well-being of that community. If the relationship is linear, then one neighborhood’s gain (in reducing its poverty rate) is another neighborhood’s loss. This, however, is unlikely to be the case; the addition of each new poor household is unlikely to add an equal increment of strain to the receiving community. One form of nonlinear relationship is one in which a gentle slope gives way to an ever-steeper one. In this scenario, the first few poor people in a receiving neighborhood have very little impact on the neighborhood, but at some point a threshold level is attained and the presence of additional poor people creates ever-larger detrimental effects. An opposite nonlinear pattern would posit a very large effect of the first few poor families in a neighborhood, with diminishing effects afterward. Finally, an S-shaped curve suggests that the first few and the last few poor households make little impact—that it is somewhere in the middle that the threshold lies and where neighborhood impacts occur. According to Galster and Zobel’s (1998) review of the studies of dispersal programs, nonlinearity of effects is rarely if ever considered.

The concentration of poverty argument suggests that the benefits of deconcentrating the poor are twofold. First, there is the reduction of social problems in previously concentrated neighborhoods. Second, there should be an improvement in the living conditions and life chances of the low-income families who have been dispersed.

Thus, there are three main research questions related to dispersal programs. First, what are the effects of dispersal on receiving communities? Second, what are the effects of deconcentration on the communities from which the poor are dispersed? Third, what are the impacts of these efforts on the individual families involved?

The rest of this report is a summary of decades of research on these questions. It begins by considering unit-based programs that focus on the development of affordable units, including scattered-site, fair-share, and mixed-income approaches. It then moves to a review

of the research related to household-based mobility programs, beginning with Section 8 and including Gautreaux, MTO, and the proliferation of local mobility programs around the country. Finally, it considers the experience to date of the HOPE VI program, which represents a hybrid of sorts between the unit-based approach and the mobility programs.

UNIT-BASED PROGRAMS

Unit-based regional housing policies work by facilitating or causing the development of affordable housing units throughout a given region (as in either scattered-site or fair-share programs) or by introducing mixed-income housing within previously low-income neighborhoods. Scattered site typically refers to programs run by a single housing authority that attempt to disperse units within a single jurisdiction. Fair share typically refers to programs that are regional in nature and require the cooperation or participation of multiple jurisdictions to spread affordable and subsidized housing opportunities. Mixed-income approaches typically do not require regional cooperation or implementation. This review of dispersal programs begins by considering the evidence on these three approaches.

Scattered-Site Programs

The term scattered site is applied most frequently to the public housing program and the practice of local public housing authorities (PHAs) purchasing and renting to public housing residents units that are located in single-family homes, duplexes, or small apartment buildings scattered throughout the local jurisdiction. Efforts to disperse public housing began as early as the 1950s (Hogan and Lengyel 1985; Chandler 1990), although the dominant practice was to continue with high-rise and large projects well into the 1960s. The Section 23 program, enacted in 1965, allowed PHAs to lease private homes on a scattered-site basis to public housing tenants.

Public housing authorities are restricted from buying or leasing properties outside their jurisdiction, so that most scattered-site programs involve dispersal within a jurisdiction. Furthermore, political opposition to public housing restricts the widespread application of principles of scattered-site housing (Polikoff 1997).

Scattered site also has a more generic meaning, referring to the practice of avoiding concentrations of publicly assisted housing, and moving away from the practice of developing large townhome or high-rise projects. For example, in *Shannon v. United States Department of Housing and Urban Development* (1970) the courts ruled that HUD and local PHAs could no longer locate subsidized housing only in non-White areas (Tein 1992). HUD responded with regulations adopted in 1972 that restricted new construction of subsidized housing in non-White areas except in cases where there were comparable opportunities for non-White families in White neighborhoods.

Implementation of Scattered-Site Programs

Hartman and Carr (1969) found that less than one-fourth of the housing authorities they surveyed had initiated scattered-site programs by the end of the 1960s. The acceptance of the idea and the spread of scattered-site public housing increased during the late 1960s and early 1970s, a period of time in which the fair housing movement gained momentum and the first generation of HUD-sponsored regional approaches to housing emerged.

One of the impediments to widespread use of scattered-site programs is the fact that these units are more expensive to operate than other project-based programs. A study by the Office of Inspector General found that scattered-site projects in three cities were not cost effective because of the inefficiencies of providing maintenance and management services to small numbers of units across large areas. HUD showed that the costs of scattered site are as much as 30% more per unit compared to Section 8 certificates. Once the units are purchased, however, the ongoing costs of the program are less than the costs associated with Section 8 (studies cited in Varady and Preiser 1998).

The experience of scattered-site programs suggests that the residents of these units are systematically different from the overall public housing population. In at least two programs that have been studied, participants were shown to be different from the overall profile of public housing residents. In Cincinnati, scattered-site residents tended to have higher incomes and were more likely to be employed than residents of traditional public housing (Varady and Preiser 1998). This was the result of the tendency of the PHA to “reward” their working families with scattered-site housing and the ability of families with more resources to work the PHA system to their advantage (Varady and Preiser 1998). Galster and Keeney (1993) found that scattered-site residents in Yonkers, New York, were significantly different from other public housing residents; they were more racially diverse and economically independent.

Resident Experience

Several studies have been done on scattered-site developments focusing on the experience of public housing residents. In a study of single-parent African Americans in Durham, North Carolina, residents of scattered-site units reported more residential satisfaction and less fear of crime than the comparison group (Burby and Rohe 1989). Scattered-site residents in Cincinnati did not report any greater levels of social isolation than the comparison group, although there was some evidence of isolation from employment opportunities (Varady and Preiser 1998). This latter finding, of course, is the opposite of what would be expected by the spatial mismatch theory. That theory suggests that low-income groups are more isolated from employment opportunities in disadvantaged central-city neighborhoods than they are in more dispersed locations. The Cincinnati findings, at least, contradict this expectation.

Two other studies show that residents of scattered-site public housing report high satisfaction with their housing (Hogan and Lengyel 1985; Lord and Rent 1985), although neither

study had a comparison group against which to judge the opinions of the scattered-site residents. Lord and Rent (1985) indicated that respondents mentioned the cleanliness of their new environment as producing greater satisfaction.

A study by Varady and Preiser (1998) of 340 households participating in Cincinnati's scattered-site program found that 75% reported they were satisfied or very satisfied with their housing, but there was no difference between the scattered-site households and those living in traditional public housing in the city. Scattered-site residents, however, did report significantly greater levels of neighborhood satisfaction and a reduction in fear of crime compared to the traditional public housing residents.

In Cleveland, Chandler (1990) found that 79% of the residents of scattered-site units rated their housing better than the traditional public housing they had had previously. This study did not incorporate a comparison group; rather, the author examined pre- and post-move attitudes. For example, 74% of former private housing residents also considered the scattered-site public housing an improvement over their former residences. Overall, the Cleveland participants moved from neighborhoods that were less well-off to neighborhoods with higher median incomes, median housing values, median rents, and ownership rates (Chandler 1990).

The Cleveland study also found that scattered-site residents reported improved school performance and interest in school among their children. As for the adults themselves, one-third became enrolled in training or education programs after moving, a small increase over the 28% who had enrolled in such programs prior to moving. Less than one-third reported that they felt their employment opportunities had improved compared to more than half who felt no change. There were no changes within the group in actual employment rates, hours of work, or wages of female heads of households (Polikoff 1997). The respondents reported lack of childcare, transportation, and skills as key barriers to employment after the move. Just fewer than one-fourth reported being the victims of racial harassment after their move. The Cleveland movers felt services were better in their new communities, with the notable exception of transportation (Chandler 1990).

These findings are in contrast to an early national study of 37 HUD-assisted developments (including 10 public housing projects) that found no relationship between satisfaction and project height, size, and density (HUD 1994). This study, however, was not an examination of scattered site per se, but looked at the impact of various project characteristics on resident attitudes.

Impact of Scattered Site on Receiving Communities

Opponents of scattered-site public housing suggest a range of negative outcomes in neighborhoods that receive these units. Analysis of the impact of scattered-site housing has been pursued in two ways: by surveying the attitudes of residents in the receiving communities, and by measuring objective indicators (typically property values) to examine patterns of

change that could be attributed to the introduction of the scattered-site units. Briggs and Darden (1999) argue that ultimately, decisions by realtors, mortgage lenders, and others who do not reside in the target neighborhood are most critical in determining the effects of subsidized housing on a neighborhood. Typically, however, studies of scattered-site public housing have not incorporated analyses of these reactions.

Resident Perceptions

If scattered-site public housing results in negative neighborhood outcomes, one would expect neighbors to notice these changes and to alter their feelings toward the neighborhood as a result. By these standards, the impact of scattered-site development on nearby residents seems minimal in most cases. A survey of 56 residents of market-rate units in Montgomery County, Maryland, found that 93% were either very satisfied or satisfied with their neighborhoods that included scattered-site public housing. Although there was no control group against which to compare these responses, the absolute percentage of those expressing satisfaction was very high (Innovative Housing Institute 1998). Briggs, Darden, and Aidala (1999) report no evidence that the introduction of scattered-site units in Yonkers has had substantial negative effects on psychological sense of community in receiving neighborhoods. It is probable that in many of these locations residents were unaware of the existence of scattered-site subsidized units in their neighborhoods (Chandler 1990).

Property Value Impacts

Research on the impact of subsidized housing on nearby property values is mixed. Early studies indicated that subsidized housing had positive or undetectable impacts on the receiving neighborhoods (Babb, Pol, and Guy 1984; Baird 1980; DeSalvo 1974; Nourse 1963; Rabiega, Lin, and Robinson 1984; Saunders and Woodford 1979; Schafer 1972; Warren, Aduddell, and Tatalovich 1983). In more recent years, some studies have shown slight negative effects for public housing, and other forms of subsidized housing, while others have found no effect or slight positive impacts (see Galster, Tatian, and Smith 1999; Lee et al. 1999; Lyons and Loveridge 1993; Goetz, Lam, and Heitlinger 1996; Briggs, Darden, and Aidala 1999; and Cummings and Landis 1993). The evidence suggests that whatever effects occur, they are highly dependent upon the local context (Galster, Tatian, and Smith 1999; Briggs, Darden, and Aidala 1999; Freeman and Botein 2002).

Results of a study of Baltimore show that public housing developments exerted a modest negative impact on property values. Scattered-site public housing and units rented with Section 8 certificates and vouchers had slight negative impacts. Public housing homeowner-ship program units, FHA-assisted units, and Section 8 New Construction and Rehabilitation units had modest positive impacts. Low Income Housing Tax Credit sites had a slight negative impact (Galster, Tatian, and Smith 1999).

In Yonkers, where 200 units of scattered-site public housing were developed in projects of anywhere from 14 to 48 units each, overall proximity to the public housing was shown to

have no detectable price effect. The public housing units themselves tended to be sited in lower value areas within the new neighborhoods, a pattern seen in other studies (e.g., Innovative Housing Institute 1998). White homeowners living near scattered-site public housing were not particularly concerned about racial tipping, nor were they more likely to move than counterparts citywide (Briggs and Darden 1999).

A study of dispersed public housing in Denver found a positive impact on housing prices for properties within 500 feet of a scattered public housing site. In addition, the price increase “reversed a decline in house prices that existed in these areas prior to the presence” of the public housing (Santiago et al. 2001). The authors found that this effect was not universal, however. Dispersed public housing in predominantly African American neighborhoods actually had a negative effect on nearby house prices, suggesting that negative effects are most likely in more disadvantaged neighborhoods.

Despite the generally positive empirical evidence about the impacts of this housing, resistance to scattered-site housing is generally the norm, and dispersal has not proceeded without opposition. Opposition typically comes from middle-class communities fearing property value declines and increases in social problems (for example, in Denver in 1989 and Baltimore at the beginning of the Moving to Opportunity, or MTO, program, according to Galster, Tatian and Smith [1999]). Opposition in Yonkers precipitated millions of dollars in fines on the city when it defied the court-ordered scattered-site program. Those most opposed to scattered-site public housing were male homeowners who lived near the sites, held fairly conservative ideological views, and apparently subscribed to racial stereotypes (Briggs, Darden, and Aidala 1999). Not-in-my-backyard (NIMBY) attitudes against in-movers was based not only on race, but also on class (Briggs, Darden, and Aidala 1999). One key factor in neighborhood reaction is whether the units being introduced are scattered single-family homes or whether they are small complexes that are more identifiable (see Chandler 1990; Briggs 1997).

Yonkers

The most notorious case of scattered-site housing is undoubtedly the Yonkers, New York, case. Yonkers is a first-ring suburb of New York City, located just north of the Bronx. Virtually all (97%) subsidized housing in the city is located in the southwest quadrant; “all of the city’s high-rise buildings are visible from a single street corner” (Briggs 1998, 190), and none of the city’s 27 family projects were located in the predominantly White eastern and northwestern sections of the city (Tein 1992). In 1980, the U.S. Department of Justice and NAACP filed suit against Yonkers, charging deliberate segregation of public housing and schools. In November 1985, a federal district court judge ruled for the plaintiffs in *United States v. City of Yonkers*, finding that the pattern of siting subsidized housing in Yonkers did, in fact, reinforce segregation (Briggs 1998; Galster and Keeney 1993).

The remedial order, issued six months after the ruling, required desegregation of public schools and the provision of subsidized housing in areas other than the southwest quadrant of the city. The desegregation of schools was achieved through busing and the creation of magnet schools. The desegregation of public housing was to be achieved through the development of 200 townhouse units to be built in the White, eastern neighborhoods of Yonkers (Tein 1992).

The city council, however, resisted the order to desegregate public housing. City council chambers were filled with White-led homeowner groups complaining about the potential negative effects of such desegregation on property values, crime, and “the social fabric” of their neighborhoods (Briggs 1998; see also Belkin 1999 for an extensive description of the events surrounding the Yonkers controversy). One city councilmember suggested that the court order would, in essence, erase the line between Yonkers and the Bronx (Abramsky 1998; Belkin 1999). The mayor, whose support of the desegregation plan ended his political career, received bullets in the mail because he refused to oppose the plan completely (Abramsky 1998; Belkin 1999).

As Briggs reports, the city spent more on attorney’s fees to stop the housing (more than \$20 million) than was spent building the housing. The judge who issued the order in the first place responded by imposing ever-increasing fines on the city until it complied. City officials gave in in September 1988 when it was clear that the accumulating fines would soon bankrupt the city (Briggs 1998).

Between 1990 and 1993, 200 public housing units, consisting of two- and three-bedroom townhouse units, were developed on seven different sites that ranged from 14 to 48 units. According to Briggs, the city council preferred fewer and larger sites so that fewer areas would be “contaminated” (Briggs 1998).

Briggs’ study of the Yonkers families compares the experiences of those who moved into the scattered-site units to a comparable group of public housing residents who stayed in their old units. The neighborhoods of the comparison group had higher poverty rates, lower labor force participation, lower educational attainment, and higher rates of female-headed households (Briggs 1998). The movers, who moved anywhere from two to seven miles away, perceived their neighborhoods as safer than did those residents who stayed behind. The children of mover families showed “lower expectancies for substance abuse and delinquent peer involvement” than did the children of stayers (Briggs 1998, 183).

The focus of Briggs’ study, however, was the social networks of families in scattered-site units. Important to his findings was the fact that the movers in Yonkers were not as scattered as they are in typical mobility or scattered-site programs. The fact that the movers moved into complexes that held up to 48 units of public housing was important for the development of their social networks. Briggs (1998) found that movers reported the same level of social interactions as those who stayed behind. Scattered-site residents were as likely as stayers to report having a regular place to meet friends and attend church. The movers,

however, did not attend church in their new neighborhoods; they tended to return to their old neighborhoods. The overall effect of resettling the families into the small developments with other public housing residents was to restrict their social networks to other public housing families with whom they shared their development.

Movers reported smaller acquaintance networks than stayers, but no fewer close ties (although these close ties were generally people who lived outside of their new neighborhoods). Despite the attempts of parents to orient their children toward their new neighborhoods, social ties tended to be limited to the complexes in which they lived (Briggs 1998). Movers were no more likely than stayers to know adults from socioeconomically diverse backgrounds. The social interactions of children in the Yonkers case were restricted to their immediate neighbors in the subsidized cluster housing, and did not extend to the more socioeconomically diverse population of the larger neighborhood.

The social isolation of the movers in their new neighborhoods is illustrated by these comments of a White homeowner living near one of the developments:

We're living with it. They're a separate entity, though, they are not part of our neighborhood. There is no interchange. There's no coming to my house for tea, or me going to your little abode for a cup of coffee. They're on their own. (Abramsky 1998, 25)

Fair-Share Housing Programs

The second type of unit-based dispersal program to be considered is the so-called fair-share program. Fair-share approaches differ from scattered-site programs in that they typically operate on a regional scale and involve some level of cooperation among multiple agencies.

Fair-share programs, according to Listokin (1976), are designed to “improve the status quo by allocating units in a rational and equitable fashion.... [A] primary impetus for and emphasis of fair share is expanding housing opportunity usually, but not exclusively, for low- and moderate-income families” (1). Because they require the cooperation of municipalities throughout a metropolitan area, fair-share programs typically are operated by regional governments. The term “fair share” does not imply equal share; indeed, there are a number of different criteria that might be used to devise a fair-share formula, including the need for affordable housing in various communities, the suitability of the land or local environment to housing development, and concerns about racial or income integration (Listokin 1976). “Fair share” thus refers to the general objective of increasing affordable housing opportunities throughout a metropolitan region.

The methods of achieving fair share are quite varied, and include inclusionary zoning programs (e.g., Montgomery County, Maryland, and New Jersey) that require a percentage of units in new developments to be set aside for low- and moderate-income occupancy (Mallach 1984; Boger 1996; Calavita et al. 1997), “builders’ remedies” (as in Connecticut and Massachusetts) that provide opportunities for developers to appeal permit and zoning

decisions of local governments (Morgan 1995), and state programs (such as those in California, New Hampshire, and Oregon) that require local communities to provide reasonable opportunities for the development of affordable housing (Morgan 1995; Cummins 1996). These objectives typically are achieved through incentives or through direct regulation of the development process. According to Polikoff (1997), these programs shift the costs of supplying subsidized housing to developers and market-based homebuyers, and require a strong market to succeed.

The federal government became involved in regional cooperation in subsidized housing in 1968. In the years following the Fair Housing Act of 1968, the federal government provided support and funds for the development of areawide councils of government, and provided a brief period of support for the metropolitan dispersal of assisted housing (Keating 1994). The U.S. Department of Housing and Urban Development's Open Communities Program provided water, sewer, and infrastructure funds based on local governments' compliance with fair-share housing concerns. The Areawide Housing Opportunity Plan (AHOP), created in the late 1970s, was designed to promote the voluntary cooperation of regional bodies and suburban governments in desegregating federally subsidized housing. Dayton, Chicago, San Francisco, Washington, D.C., and other cities had brief experiments with fair-share housing programs (Keating 1994; Craig 1972; Listokin 1976).

The Mt. Laurel case, decided by the New Jersey Supreme Court in 1975, held that communities could not zone to exclude low-income housing. Two subsequent lawsuits were required to fully implement the court's mandate of regional fair-share strategies throughout the state. In 1985, the New Jersey legislature created the Council on Affordable Housing (COAH) to oversee statewide implementation of fair-share requirements. Communities in New Jersey are assigned low-income housing obligations based on existing housing mix, present and projected employment, and amount of open land (Anglin 1994). In addition, COAH was responsible for setting time limits for compliance, and was given the power to enforce its regulations. In the first six years of the program, COAH had facilitated the development of 14,000 affordable housing units in New Jersey suburbs, or 9% of new housing construction in the state (Haar 1996). In-depth analyses of the New Jersey program have not been done, so it is impossible to tell if the new housing has accommodated a dispersal of the urban poor, let alone what the experiences of those families might have been (Haar 1996).

In Hartford, Connecticut, a regional mediation process centering on affordable housing resulted in the transformation of a fair-share effort to build affordable housing units into a regional agreement to increase "housing opportunities." Housing opportunities, as defined in the Hartford case, can be provided primarily through Section 8 tenant-based subsidies. Even this watered-down version of fair share was further compromised when the suburban jurisdictions imposed residency preferences (Polikoff 1997).

In Minneapolis–St. Paul, the Minnesota state legislature created the Land Use Planning Act in 1976. This act required communities to prepare housing plans that outlined how they would meet their regional share of the metropolitan area need for low- and moderate-income housing. For several years, the Metropolitan Council of the Twin Cities calculated regional fair-share allocations for all communities within the growth boundaries. When federal subsidies for low- and moderate-income housing were cut in the 1980s, the Metropolitan Council discontinued the practice (Goetz, Chapple, and Lukermann 2002). In 1995, the Minnesota legislature created the Livable Communities Act. This is a voluntary program in which communities in the metropolitan area negotiate affordable housing goals with the Metropolitan Council. The Council, appointed at that time by a governor hostile to regional affordable housing goals, created extremely low standards that allowed most communities to claim that they had already exceeded program benchmarks. Negotiation of goals under the program was even more lax, leading to a situation in which the goals for affordable ownership and rental housing, if fully met, would result in a 12% decline in affordable units compared with a continuation of the regional status quo. In addition, if program goals are met, virtually no spatial redistribution in affordable units will take place in the region (Goetz 2000b).

Impact on Mobility

The New Jersey program allows communities to fulfill up to half of their low-cost housing obligation by paying other localities to build the housing within their boundaries (Field, Gilbert, and Wheeler 1997). In practice, this has meant that whiter, more affluent communities have paid poorer communities with greater percentages of people of color to take a portion of their obligation. Among 54 regional contribution agreements (RCA), Negotiated in New Jersey between 1987 and 1996, all but one involved the transfer of affordable housing obligations from wealthier to poorer communities. The average sending community had a population that was 2% African-American. The average receiving community was 27% African-American (Field, Gilbert, and Wheeler 1997).

Suburban areas can fulfill the rest of their obligation by providing low-cost housing for the elderly and by imposing residency preferences that allow them to market the units to families already residing in the community (Polikoff 1997). Residency requirements are frequently used by suburban jurisdictions to minimize the degree of central-city out-migration that occurs as a result of these programs (Polikoff 1997). These residency requirements are especially significant in metropolitan areas in which there is already a serious lack of affordable housing in the suburbs. In those areas there are typically many households on suburban waiting lists.

Among those units that are built in suburban areas, most are occupied by White families who had previously lived in the suburbs (Wish and Eisdorfer 1997). In fact, the amount of city-to-suburb dispersal of lower income and minority households through the Mt. Laurel program has been minuscule. Wish and Eisdorfer (1997) traced the movement of more than

2,600 households and found that only 6.8% were families that moved from the city to the suburbs. Less than 2% of the families were African Americans who moved from the city to the suburbs. When the movement of African Americans from the suburbs back into the city is taken into account, there is a net rate of African American dispersal of less than 1%. Thus, fair-share programs, although justifiable on other conditions, show little potential for achieving a significant amount of central-city mobility.

Another example of the potential impact on central-city mobility from fair-share programs is demonstrated by an analysis of State Representative Myron Orfield's proposed program for the Twin Cities that was passed by the legislature but vetoed by the Governor from 1993 through 1995. Had Orfield's proposal been enacted, it could have worked at full funding for more than 20 years before it built enough affordable units to meet the need for affordable units among suburbanites alone, even before moving anyone out of the central cities (Hsieh 1994).

Mixed-Income Developments

The last unit-based strategy to consider relative to the objectives of deconcentration of poverty and the dispersal of subsidized families is mixed-income housing. According to Schill (1997), mixed-income development (referred to as a mixed-income new community, or MINC, by Schill 1997) is a strategy to mix resident incomes within a project, but it also includes scattered-site housing. The 1990 Cranston-Gonzales National Affordable Housing Act authorized four public housing authorities to experiment with a "demonstration program" of mixed-income housing. The program consisted of merely relaxing the HUD preference guidelines to allow the PHAs to lease up to half of the units in selected developments to families with low but not very low incomes (Schill 1997). What separates the mixed-income model (the model that guides the HOPE VI program) from scattered-site housing is that it reverses the dispersal model. Instead of mixing low-income people into wealthier neighborhoods, it attempts to attract higher income groups into more disadvantaged communities by offering attractive housing options in previously concentrated project areas. This formula requires several elements to be successful. The developments must offer amenities attractive to market-rate residents, and the projects must be considered safe, thus necessitating strict enforcement of management rules and tenant screening (Schill 1997).

Mixed-income developments, and recent reforms in the resident preferences for public housing, signal a shift or return to the original premise of public housing (Nyden 1998). Public housing was originally meant as a way station for the working poor. Over time, resident preference policies ensured that the program was targeted to the neediest families, while changes in the fiscal structure of the program and in the larger urban political economy ensured that the experience was long term and even multigenerational for some families (Spence 1993).

The argument for a mixed-income approach to subsidized housing is similar to those for dispersal programs: communities are simply not viable without a cadre of employed residents to sustain businesses, provide role-models, and increase social capital. Such a mix will ensure that the public housing community fits more completely into the surrounding community; that is, it will reduce the chances that the public housing will be seen as a pocket of disadvantage within the larger community. Finally, according to the models of neighborhood effects described in part one of this report, there is the expectation that very low income households will benefit from the inclusion of higher income families in the projects they inhabit (Nyden 1998). This is perhaps the most difficult element in the mixed-income model, according to Brophy and Smith (1997; see also Rosenbaum, Stroh, and Flynn 1998).

The literature of social psychology suggests that moderate-income tenants are not likely to mix with low-income residents. “When members of a group feel insecure about their status, they may seek to draw favorable comparisons and create social distance between their group and the subordinate group” (Schill 1997, 150). Briggs’ early results (1998) raise concerns about barriers to greater resources on the part of lower income families in mixed-income environments, and barriers to interaction with more affluent neighbors (see also Rosenbaum, Stroh, and Flynn 1998). Brophy and Smith (1997) studied seven successful mixed-income projects. Some mixed-income developments have succeeded in drawing higher income groups, but have not succeeded in getting these groups involved in the operation of the buildings. In many developments, mixed income simply means “having two populations living side-by-side with little interaction” (Rosenbaum, Stroh, and Flynn 1998, 711). In one of the cases studied by Brophy and Smith, the developer inadvertently created a concentration of low-income renters by putting all of the three- and four-bedroom units in the same building because few of the market-rate households had children (Rosenbaum, Stroh, and Flynn 1998).

In his study of Lake Parc Place in Chicago, Schill (1997) found little interaction between residents of different income groups. Fishman’s (1993) study of the same mixed-income development concluded that both the moderate income and very low income tenants were conscious of the distinctions between the two groups (Schill 1997). Thus, for one of the first mixed-income projects completed with public housing, there is little evidence to suggest social interaction among different income groups and as a result there is little reason to expect “that the role model dynamic is operational” (Nyden 1998, 754). Tenants at the development were less concerned about their pattern of interactions than they were about the management of the building. Residents wanted their privacy, and any “attempts to explicitly manipulate their behavior and values through modeling were seen as an intrusion on this privacy” according to Mason (1998, cited in Nyden 1998, 743). That is, tenants valued the set of management rules and project amenities that accompanied the mixed-income development, but they were not interested in the mix of incomes per se.

The Lake Parc project was originally successful at getting moderate-income people to move in. However, because of lax management by the Chicago Housing Authority (CHA), the low-income portion of the project rose to 67% by 1996 (Nyden 1998). Although mixed-income developments have succeeded in some cases, there are lessons from the Lake Parc case. The cost of Lake Parc Place is prohibitive, and even if that were not the case, it is quite likely that middle-income households could not be lured into many of the most distressed public housing developments (Schill 1997). Although residents reported a strong sense of safety, they also saw their development as an “island of safety” within the larger neighborhood that remained unchanged by the improvements that had been made to their site.

TENANT-BASED PROGRAMS

There has been a long-term trend toward greater reliance on tenant-based housing assistance at the federal level, which has been accelerated by concerns about concentrated poverty (Hartung and Henig 1997). Because of the political difficulties faced by unit-based programs and the limited impact of scattered site and fair share to disperse low-income families, policymakers have shifted to portable subsidies that are lower profile, more flexible, and can result directly in the movement of families out of concentrated poverty. The use of tenant-based assistance also matches better the main cause of housing problems in the country—lagging incomes and the high cost of housing rather than actual shortages of housing (HUD 1995a). Tenant-based assistance in the United States is provided through the Section 8 program. This program provides to families housing vouchers that may be taken and used in the marketplace. In many places, “special mobility programs” have been created to more effectively facilitate the movement of poor families into neighborhoods of primarily middle-income households (Polikoff 1997). Mobility programs go beyond the regular operation of the Section 8 program to require moves to neighborhoods that are low in poverty and minority residents.

Tenant-based forms of housing assistance date back to the formation of the public housing program in 1937 (Friedman and Weinberg 1983). Congress considered a program of tenant-based assistance when creating the Housing Act of 1937, and again in 1944. In both cases, Congress decided the national priority was slum clearance and the construction of more and newer housing units to deal with a shortage that had emerged during the Great Depression and grown during the war. Furthermore, it was felt that tenant-based assistance might simply subsidize profits in slum neighborhoods (Friedman and Weinberg 1983; Semer et al. 1976). The idea did not go away, however. Congress considered and rejected the idea again in 1949 and 1953. Finally, in 1965, Congress created the Section 23 program, which allowed public housing authorities to lease existing units for public housing families.

The riots of the 1960s highlighted the extent of residential segregation and substandard housing conditions for the poor in central cities, and brought to center stage the issue of

dispersal strategies through mobility programs (Hartung and Henig 1997). In 1968, the President's Commission on Housing, known as the Kaiser Commission, recommended a form of housing allowance for lower income families. In addition, by that time there was already a pronounced tendency for public housing to be located in the least attractive urban areas and for that housing to contribute to patterns of race and income segregation (see part one of this report). Others favored allowances because they represent a lesser degree of interference in the private market and, indeed, would work through the operation of the market (Friedman and Weinberg 1983). There was also growing criticism that unit-based programs were too costly and not serving enough families. For 25 years from the early 1970s through 1995, the central debate in federal housing policy circles has been about the relative merits of production programs on one hand, and housing allowances on the other (Weicher 1990).

In 1971, Congress authorized a national experiment in the use of tenant-based assistance. Called the Experimental Housing Allowance Program (EHAP), the initiative was meant to run for the better part of a decade, and the results were to be used to determine if a national program would be created. The program did run as designed, and the results were made available near the end of the decade. However, Congress and the Nixon administration decided in 1974 not to wait for the results and went ahead with creation of the Section 8 program. The program was expanded in the 1980s to include vouchers as well as certificates. Vouchers worked in a slightly different way than certificates, and were meant to increase the choice available to the families in the program.

Over time, the emphasis and expenditures of federal housing policy have steadily shifted from building units to providing housing allowances (Struyk 1991; McClure 1998; Hartung and Henig 1997). In the 1970s, according to Hartung and Henig (1997), federal housing subsidies were tilted toward project-based assistance by almost 2:1 over vouchers and certificates. By the 1990s, however, the emphasis was in the other direction: household-based subsidies outnumbered project subsidies by almost 5:1. By 1997, 72% of new federal rental assistance funds went to tenant-based assistance, and only 28% to project-based programs (McClure 1998). By the end of the 1990s, roughly one-third of all households assisted by the federal government received allowances (Newman and Schnare 1997; McClure 1998). As the review in part one of this report showed, because households receiving tenant-based assistance are more evenly distributed across metropolitan regions than are residents of project-based subsidized housing, the overall geographic dispersion of HUD-assisted households has increased over time (Gray and Tursky 1986). Section 8 vouchers form the basis of the mobility approach now favored at the federal level.

Initially, the move to tenant-based assistance was made for at least three reasons. The first is the contention that this form of subsidy is less expensive than unit-based assistance. The second is that tenant-based assistance allows families a greater level of choice in units

and neighborhoods. The third reason is the idea that tenant-based assistance can reduce the levels of segregation by race and poverty that characterize unit-based housing assistance programs.

Cost

Although the belief that tenant-based assistance is less expensive than construction subsidies is widespread (Polikoff 1997), the empirical evidence on the issue is less overwhelming. The Abt Associates study (1981) found project-based subsidies to be almost twice as costly per unit compared to allowances. A later reanalysis concluded the cost differential was closer to 50% (Struyk 1991; Weicher 1990). Weicher also suggests that by projecting costs during a 20-year period, the differential between the two subsidy approaches decreases even more, to as low as 40%. Finally, if the value of the project-based building is taken into account, the differential approaches zero (see also McClure 1998). Shroder and Reiger (2000) produce findings that suggest the McClure and Weicher results are overly optimistic. They find that tenant-based assistance is significantly less costly than project subsidies, even in the long term.

Barton's (1998) study looks at the question in a slightly different manner. He compares tenant-based assistance and a program of acquisition and public ownership of existing units. He asks, given the same annual commitment of funds over a period of time, which program will assist the most households? The findings suggest that after 15 years an acquisition strategy would begin to assist more families, and after 28 years acquisition would provide more "cumulative household-years of assistance" (114). This is consistent with HUD's own comparison of public housing and tenant-based assistance.

A recent HUD study indicates that until recently, the costs of assisting a family in public housing have been lower than comparable costs with a certificate or a voucher. In fact, for some public housing developments the cost of providing housing is less than half that of housing certificates (GAO 1995). The rising costs of modernizing public housing, addressing the social needs of the poor residents, combating crime and drug activity, and improving the worst of the public housing stock have driven up those costs, however (HUD 1995b). HUD estimates that based on fiscal year 1995 appropriations, the cost of public housing per occupied unit was \$481 per month, compared to the cost of serving the same families in the same locations with certificates of \$440 month, a difference of 9% (HUD 1995b; GAO 1995).

Choice and Desegregation

Greater freedom in residential mobility decisions by subsidized families was the primary advantage of tenant-based assistance, according to the Kaiser Commission in 1968. At the same time, however, the integrationist potential of Section 8 was problematic politically. Thus, although some are supportive of greater reliance on the market and greater consumer choice allowed by tenant-based assistance, many are equally uncomfortable with the notion of a mass migration of lower income families out of the central city into suburban

areas (Cronin and Rasmussen 1981). The potential impact of dispersing subsidized households in suburban areas, in fact, is what led the Nixon administration to rein in its regional housing initiatives in the early 1970s (Danielson 1976). In any case, the evidence is clear that tenant-based assistance does result in a greater dispersal of assisted households than does project-based assistance.

Reduction in Segregation

Whether tenant-based assistance leads to greater levels of integration, however, is not certain. If the poor truly prefer to live in neighborhoods with other poor, then greater choice in housing will not lead to race or income integration. Discrimination in the housing search is reported by many, and for others the fear of discrimination limits a search. In addition, many simply want to retain proximity to their social networks and to supportive services upon which they rely, or stay in neighborhoods with which they are familiar.

There are, in fact, several elements of mobility choice that a housing voucher alone cannot address. Four categories of factors can be identified that can determine the impact of tenant-based subsidies on individual mobility patterns. First, household mobility is strongly affected by market factors, such as the availability of units at or below fair market rent (FMR); the quality, type, and size of those units; and the prevalence of discrimination among market actors. If barriers in the housing market exist—such as discrimination based on race or on one's status as a subsidized household—then tenant-based assistance may not result in meaningful levels of income or race integration. Virtually every analysis of housing discrimination undertaken in the country during the past 20 years, furthermore, shows that it continues to be a pervasive characteristic of housing markets everywhere (Yinger 1998, etc.). Combined with continued discrimination in suburban areas (Bendick, Jackson, and Reinoso 1994; Stoll 1999), these market distortions impede the ability of low-income and minority populations to disperse throughout metropolitan areas if they so desire. Even in the absence of discrimination, the operation of Section 8 requires a stock of housing units of modest rent for which the vouchers can be used. The geographic pattern of modest rental units in most metropolitan areas suggests that there will continue to be significant levels of segregation of voucher holders based only on prevailing rent patterns (see, for example, Pendall 2000).

Second, mobility decisions are strongly affected by the package of neighborhood amenities that exist, including the service endowments of neighborhoods, the distribution of public transportation facilities, and access to medical care and social services. Many low-income families use public transportation and social services that are not readily available in outlying neighborhoods of metropolitan areas. Communities that do not have shopping and service facilities within walking distance of residences will not work for many low-income families.

Third, dispersal depends on a range of individual barriers and preferences including health, household makeup, and motivational and self-sufficiency issues. Family makeup may require reliance on nearby friends and family for childcare. Health issues may diminish the ability of

families to move away from established social networks as well. Finally, individual motivational levels also strongly impact a family's ability to move to outlying neighborhoods.

Fourth, mobility can be affected by the mix of program features incorporated into mobility programs. If recipients of tenant-based assistance do not receive enough information about opportunities in the local housing market, then this form of assistance may not result in greater integration. Experience has shown that mobility counseling is extremely important in generating integrationist moves by lower income and African American families (Polikoff 1997; HUD 1994). Such counseling is often provided in special mobility programs by independent agencies or by fair housing organizations. In addition, special mobility programs often require participants to move to nonimpacted (or nonconcentrated) areas. These programs result in much greater dispersion of the poor than does a passive implementation of Section 8.

There are two potentially salient criticisms of mobility programs: they are not always good for the families who participate, and programs on a large enough scale to be meaningful would both undermine the stability of the receiving communities and undermine political support for the programs (Polikoff 1997). The first concern is related to the loss of social supports by families who leave their communities to go elsewhere. There is evidence that this does occur to some extent among families in mobility programs. Whether these losses are outweighed by the benefits experienced by these families is a more difficult question to answer. The second criticism related to scale is more problematic. The largest mobility program in the United States, the Gautreaux program in Chicago, moved only 5,000 families in the first 20 years. This is in a city of close to three million, with 41,000 units of public housing, most in areas of concentrated poverty and minority status. The Gautreaux program, furthermore, consciously limited itself in terms of the number of participants and the number of families relocated to the same receiving community. This was done for the very reason of operating the program in a nonthreatening manner (Polikoff 1997). On the other hand, advocates for mobility programs point out that only about 1.8 million poor families live in extreme poverty areas in the United States, and facilitating the movement of at least one-third of those families in metropolitan areas throughout the country would not be an impossible task (Polikoff 1997).

The sections that follow present a review of the experience to date of the Section 8 program. In addition, the report looks at the related mobility programs that utilize Section 8 subsidies and the impact these efforts have had on families and communities, and addresses the critiques of the approaches outlined above.

Experimental Housing Allowance Program (EHAP)

In 1970, EHAP was launched in 12 metropolitan areas across the country. It was divided into three separate experiments. The demand experiment—conducted over three years in

Allegheny County, Pennsylvania (Pittsburgh), and Maricopa County, Arizona (Phoenix)—was designed to examine how families would respond to housing allowances: would tenant-based assistance change mobility decisions and lead to significant housing adjustments by families? The supply experiment—conducted in Green Bay, Wisconsin, and South Bend, Indiana—was designed to examine how the housing market would respond to the use of housing allowances. Would there be price inflation? Would there be an increase in production to match the increase in demand created by the housing allowances? Finally, the administrative experiment, conducted in eight separate metropolitan areas, was designed to highlight the best ways to administer a housing allowance program (Friedman and Weinberg 1983).

The EHAP project generated data on the locational choices of assisted households. There was some deconcentration of Blacks and some movement of Whites out of neighborhoods that were primarily Black. There was, however, no noticeable out-migration of assisted households from city to suburbs. In addition, although there was a slight tendency of assisted households to move to neighborhoods where minority and low-income households were less concentrated, when compared with the control group, the movement pattern was not significantly different (Cronin and Rasmussen 1981). In fact, the most notable detail about the experiment was that vouchers had virtually no effect on mobility or aggregate demand in the market (Lowry 1983).

For those in EHAP who moved, the increase in neighborhood income was small (Frieden 1985; Weicher 1990). In fact, the average per capita income in tracts occupied by recipients who moved was 4% higher than that in the tracts in which they had previously lived (Leger and Kennedy 1990). Overall, the allowances did not appear to improve the neighborhood characteristics of participating families in a significant way. For EHAP participants who did move, the mean minority population in their neighborhoods fell by 4 percentage points. For Black mover households, however, the reduction was 13 percentage points (Polikoff 1997, 23).

Mobility counseling services provided by EHAP were used more frequently by those who moved out of their original neighborhoods, and were used more frequently by African American program participants. In fact, evidence from the Tulsa site suggests the potential for agency informational services to have a particularly strong effect on locational choice. In the Tulsa example, however, the information services had the effect of reconcentrating Blacks (Cronin and Rasmussen 1981).

The allowances had no impact on distance moved, journey to work, or movement from central city to suburb (Cronin and Rasmussen 1981). In fact, there was little mobility generated by the program at all. When controlling for other factors, the effect of the allowance across the sites was an increase in the probability of moving of about 7 percentage points. Analysts suggest this is support for the idea that there is a high degree of inertia or place attachment among people. Households that had been offered allowances and lived in hous-

ing that failed the standards were no more likely to search than comparable nonprogram households in comparable housing (Cronin and Rasmussen 1981).

Clearly, families may have weighed the expected benefits of a move against the costs of moving, including out-of-pocket costs of searching and moving, loss of length of tenure discounts, loss of information capital, and psychic costs (Cronin and Rasmussen 1981). The net effect of the allowances on mobility might best be interpreted, according to Cronin and Rasmussen, as accelerating moves that would have been made otherwise.

The EHAP supply experiment provided assistance to all households in Green Bay and South Bend that qualified. Of those who qualified, 56% indicated a willingness to participate, although only 75% of those willing were able to participate because housing units had to meet quality standards (Weicher 1990). The results of the supply experiment seem to show that the quality of housing stock is more important in determining the level of participation than the tightness of the local housing market. Participation rates were higher in metro areas with a better housing stock (Leger and Kennedy 1990). The EHAP supply experiment indicated that allowances did not stimulate inflation in the local housing market. Hartman (1986) suggests that this can be understood in light of the findings of the demand experiment summarized above. Because the vouchers had virtually no impact on mobility (i.e., on demand for units), there was no aggregate housing market response.

In sum, the Experimental Housing Allowance Program showed that households using tenant-based assistance move away from neighborhoods of poverty and minority racial concentration, but no more so than the general population (Polikoff 1997). "Housing allowances, when administered in this passive way, have little if any impact on locational choice, economic or racial concentration, or neighborhood quality" (Cronin and Rasmussen 1981, 107).

The Section 8 Program

Program Evolution

Section 8 of the 1974 Housing and Community Development Act consisted of three separate housing assistance programs. The Section 8 New Construction and Section 8 Substantial Rehabilitation programs worked very much like the old project-based programs in which the subsidy was tied to the units built (or rehabilitated). The Section 8 Existing program was a truly tenant-based subsidy in which the household could use the certificate in the market. The tenant-based Section 8 program caught on quickly, and in just five years became the nation's second-largest low-income housing program behind public housing (Rasmussen 1980).

The program worked by allowing certificate holders to rent any unit in the market that met quality standards and rented at or below a HUD-established fair market rent (FMR) for that region. The certificate paid for the difference between the market rent of the unit and 25% of the household's income. In 1982, the certificate formula was changed so that house-

holds were responsible for paying 30% of their incomes. The FMRs are adjusted annually by HUD, and the legislation established that FMRs were to be set at the median rent for units of similar size in each regional market. In 1984, FMRs were reduced to the 45th percentile, and in 1995, they were reduced again to the 40th percentile (Turner 1998).

Section 8 certificates carried a 15-year term until 1987 when they were shortened to 5 years. Families who participate in the program are given 60 days to find a unit. If a unit isn't found within 60 days, a Section 8 holder must apply for an extension of time or lose the certificate. The local public housing authorities that issue the certificates have the discretion to deny or grant the waiver request. The search time period may be extended an extra 60 days.

Vouchers

In 1983, Congress, at the urging of the Reagan administration, created a demonstration program of housing vouchers. Vouchers were similar to Section 8 certificates, except that they had fewer geographic restrictions and families could rent units above the FMR if they absorbed the extra cost (and thus paid more than 30% of their incomes on housing). Section 8 certificates were limited to the jurisdiction of the local agency that administers them, whereas vouchers were valid throughout the United States. The voucher program became permanent in 1987, and in 1999 Congress merged the certificate and voucher programs, retaining most of the features of the vouchers.

Portability

During the 1970s, HUD took some preliminary steps to encourage the use of Section 8 certificates across jurisdictional boundaries. The agency's voluntary Areawide Housing Opportunity Plan (AHOP) and Regional Housing Mobility Program encouraged municipalities within metropolitan areas to collaborate in planning for low-income housing and facilitate cross-jurisdictional mobility by certificate holders (Tegeler, Hanley, and Liben 1995). These programs, however, never became major efforts. The Regional Housing Mobility Program, which was designed to assist areawide planning organizations in facilitating the interjurisdictional mobility of low-income and minority households, was abandoned by HUD at the beginning of the Reagan administration (HUD 1994).

In 1987, Congress amended Section 8 to allow certificate holders to use their subsidies throughout the metropolitan area in which the subsidy was issued, or in a contiguous metropolitan area. In 1990, Congress expanded this so-called portability provision to allow statewide mobility by certificate holders. Despite these changes, most local housing authorities did not implement portability guidelines quickly (Donovan 1994). A national survey in 1991 found that only 3% of Section 8 certificates and vouchers had been ported across jurisdictional boundaries (Polikoff 1997).

Portability was not vigorously adopted by local housing authorities for several reasons (Turner 1998). The first is the policy of many local authorities of establishing residency preferences for admission to the Section 8 programs. An internal HUD survey of the 51 field

offices found that 42% of 2,541 local public housing authorities had such residency preferences (Tegeler, Hanley, and Liben 1995, 472). In addition, Section 8 porting resulted in a loss of administrative revenues to local authorities, producing yet another disincentive to full implementation of the program (Tegeler, Hanley, and Liben 1995).

In 1992, Congress pulled back on the portability issue, requiring recipients who did not already live in the jurisdiction of an issuing housing authority to remain within that jurisdiction for at least 12 months before moving with the Section 8 certificate (Schill and Wachter 1995; Tegeler, Hanley, and Liben 1995).

When mobility became the top priority of HUD during the Clinton administration, the agency finally took action on the issue of residency preferences. In 1994 HUD determined that it would preapprove the use of local residency preferences (Tegeler, Hanley, and Liben 1995). Portability is now a permanent feature of the new combined Section 8 voucher program.

Summary of Section 8 Program Experience

Lease-Up Rates There are several lessons to be taken from the evolution of housing allowances in the United States from their introduction in 1974 to their use at the end of the 1990s. The first is related to how well these subsidies work in the marketplace. One measure of that is the degree to which they can be utilized by families who qualify for the program. Successful Section 8 participation rates have been increasing over time. In the first few years of the program, less than half (45%) of the households who qualified for the program were able to find satisfactory housing with the certificates. That number increased to 60% by the mid-1980s, and 65% for vouchers (Weicher 1990). By the mid-1990s, the success rate for large cities nationally was up to 80%, although there is considerable variability in this rate. Excluding New York City, the national success rate for large cities was 87% (HUD 1995a), but in some cities the rate was significantly lower (in 1997, 30% of the Section 8 participants in Chicago returned their certificate or voucher [Wright 1998; Bennett and Reed 1999]).

Certificates and vouchers remain difficult to use in very tight housing markets (Wallace et al. 1981). Current program rules allow private landlords to refuse to accept Section 8 households, and where there is strong competition among tenants for housing, Section 8 voucher holders find themselves at a distinct disadvantage. An ongoing study of Section 8 participation by landlords in suburban Hennepin County, Minnesota (Minneapolis), shows a steady decline in the number of units that (a) qualify for Section 8 assistance (i.e., are at or below the fair market rent for the area), and (b) accept households with Section 8 subsidies. Community Action for Suburban Hennepin (CASH 1998) surveyed 43,738 apartment units in the county from 1995 to 1999. The number of units that qualify for the Section 8 program (that is, units that have rents below the FMR) fell from 23,793 in 1995 to 16,289 in 1998. The number of units that both qualify for and accept Section 8 subsidies fell, during

the same time period, from 11,646 to 6,686. Of the 6,686 in 1998 that qualified for and accepted Section 8 subsidies, 1,911 had minimum income requirements that excluded virtually all tenants with incomes qualifying for Section 8. This left 4,765 units available for Section 8 participants, or only 11% of the 43,738 units surveyed.

The performance of Section 8 is consistent with expectations; the program works better where there are sufficient units and the overriding market problem is lack of income. Where there is a lack of units (reflected by very low vacancy rates), however, lease-up rates are much lower as landlords become more choosy about the families they accept, and as rents go beyond local FMRs.

Geographic Dispersion of Subsidized Households

As mentioned earlier, Section 8 does improve upon project-based assistance in terms of dispersing households. The evidence reported in part one describes the much greater level of dispersion achieved by Section 8 households compared to those in public housing and in other project-based programs. Warren's (1987) study of federally subsidized housing in Chicago, St. Louis, and Baltimore illustrates this phenomenon. In each city, the Index of Dissimilarity measuring the degree of segregation for subsidized housing is 30 to 40 points lower for the Section 8 Existing program compared to public housing and the Section 8 New Construction and Substantial Rehabilitation programs (indicating significantly greater integration of this form of housing throughout the market). Furthermore, improvements in the overall index in each city from 1970 to 1980 were due to the increase in units in the Section 8 Existing program. In each city there was an increase in the number of federally subsidized units in census tracts with median incomes higher than the city median, and in census tracts with more than 70% Whites. In each city this was due to the growth of the Section 8 Existing program.

Nevertheless, there remains a strong central-city bias to the program. Research on both EHAP and the Section 8 program indicates that, without special counseling, renter households receiving tenant-based assistance make short-distance moves, remain in or near their original neighborhoods, and experience little improvement in housing conditions (Goering, Stebbins, and Siewert 1995). In practice, demand-oriented subsidies have never realized their potential for achieving the deconcentration of poor households. Studies of allowances and vouchers show that many households remain in their current neighborhoods rather than move at all. In one study of ten metropolitan areas, there was evidence of a strong central-city concentration of certificates and vouchers (disproportionate to need) in seven of the regions (Gray and Tursky 1986). Even those certificate and voucher holders in suburban areas cluster in racially and economically defined neighborhoods according to Hartung and Henig (1997). Market forces simply tend to steer voucher holders into neighborhoods where other lower income residents live. Section 8 holders are restricted to apartments that are below the FMR for their region, and regional FMRs

might not be high enough to allow access to suburban apartments (Tegeler, Hanley, and Liben 1995).

Tenant-based forms of housing assistance compare favorably with project-based assistance in the geographic dispersion of poor households. But tenant-based assistance does not lead to a greater level of dispersion of the poor than occurs in the population as a whole.

Economic and Racial Integration of Program Participants Studies of Section 8 show four patterns in the economic and social integration of program participants. First, when Section 8 families move they typically do not experience significant changes in the economic and social characteristics of their neighborhoods. Second, White participants experience greater improvement in neighborhood conditions than do non-White families. Third, Section 8 families are generally segregated more by income than they are by race. Finally, Section 8 families are less segregated than residents of project-based subsidized housing.

Studies of Section 8 show that many families remain in their current neighborhoods rather than move. For those who do move, the increase in neighborhood income is quite modest (Leger and Kennedy 1990; Polikoff 1997; Schill and Wachter 1995). This is because program participants tend to locate in neighborhoods that have the largest number of low-cost apartments (Pendall 2000). In addition, participants are typically inexperienced housing consumers with little market information who tend to remain in neighborhoods with which they are familiar. In addition, they are likely to face discrimination in the housing search or to restrict their search in order to avoid such discrimination.

Section 8 has not reduced the housing market obstacles faced by minority households. Specifically, White households are more successful in using Section 8 outside of poor and minority neighborhoods than are Black households (HUD 1995a). In five of six cities studied by Turner (1998), for example, the share of Black and Hispanic certificate holders living in high-poverty areas far exceeds the share of White certificate holders. In a 1979 study of Section 8, 52% of minority households moved to neighborhoods with minority concentrations similar to their origin neighborhood, 35% moved to neighborhoods with smaller minority concentrations, and 15% moved to higher minority areas (Stucker 1986). In addition, HUD (1995a) reports that 55% of White recipients and only 36% of Black recipients lived in neighborhoods of low poverty (defined as having less than 10% poverty). Minority households continue to spend more time looking for housing, look in fewer neighborhoods, and search in neighborhoods with less physical and socioeconomic distance from their current homes than do White families with similar incomes (Polikoff 1997).

On the whole, Section 8 certificates and vouchers are more income-concentrated than race-concentrated, both in an absolute sense and relative to project-based units. Goering, Stebbins, and Siewart (1995), for example, found that certificate and voucher holders were for the most part living in racially integrated areas. Most White participants lived in tracts

with an African American population of at least 40%, and most Black participants lived in tracts with a less than 20% Black population. In the Washington, D.C. area, although predominantly African American census tracts have 15 times more public housing units and 8 times more project-based units compared to White tracts, African American tracts have only 3.4 times as many certificates and 2.1 times as many vouchers as White tracts (Hartung and Henig 1997). But when tracts are broken down by income, subsidized housing concentration is 28 times greater in low-income tracts compared to very high income tracts, and certificates and vouchers are 17 times and 21 times more concentrated respectively (Hartung and Henig 1997).

Section 8 recipients enjoy greater racial and income diversity in their neighborhoods compared to residents in public housing and other project-based subsidy programs. It is also the case that vouchers and certificates service minority households better than project-based subsidies (Weicher 1990). In another study, Turner (1998) found that in five of six cities he studied, certificates and vouchers were less likely to be used in high-poverty and majority Black neighborhoods than was public housing. In four of the study cities, certificates also outperform other forms of project-based assistance, though not by as much (Turner 1998). As far as the racial makeup of neighborhoods, certificates and vouchers were less concentrated than nonpublic housing project-based assistance in only three of the six cities (Turner 1998). Overall, Turner shows that only 15% of certificate and voucher holders live in high-poverty neighborhoods (poverty greater than 30%), compared to 54% of public housing residents and 22% of other project-based residents. On the other hand, 27.5% of certificate and voucher holders were in low-poverty (less than 10%) neighborhoods, compared to only 7.5% of public housing residents and 15% of project-based residents (see Table 4).

Similarly, a study by the General Accounting Office (GAO) found that fewer than 10% of Section 8 recipients live in high-poverty neighborhoods in the four metropolitan areas they studied, but more than 40% of public housing residents in those metro areas lived in high-poverty neighborhoods (HUD 1995a).

Although project-based subsidies are more concentrated than are household-based subsidies, Guhathakurta and Mushkatel (2000) found that recipients of both forms of subsidies tend to concentrate in similar kinds of neighborhoods.

Table 4. Concentration of Types of Subsidies in High- and Low-Poverty Areas

	Pct. in high-poverty tracts	Pct. in low-poverty tracts
Section 8 certificates and vouchers	15	27.5
Public housing units	54	7.5
Project-based subsidized units	22	15

Source: Adapted from Turner (1998).

Neighborhood Impacts of Section 8 Units A much less studied aspect of the Section 8 program is its impact on the neighborhoods in which it is located. A study of the impact of the concentration of Section 8 certificate and voucher units on nearby property values in Baltimore County indicated that within a 500-foot ring, lower concentrations of Section 8 units are associated with positive effects on property values, except in low-income neighborhoods where the effects were small but negative. Larger concentrations of units—either within 500, 1,000, or 2,000 feet of sales, and particularly within the 500-foot ring—are also associated with negative impacts on value (Galster, Tatian and Smith 1999).

Portability Studies of the portability features of the Section 8 program have produced mixed conclusions. Polikoff (1997) argues that portability is a way of “reaching scale” in mobility programs aimed at moving subsidized households out of disadvantaged central-city neighborhoods. Donovan (1994) reports that 68% of respondents to a survey of Section 8 participants in Hartford, Connecticut, were interested in living in towns other than Hartford if possible. The high level of interest was due to the desire to move away from crime (32%) and to better schools (19%).

According to Donovan (1994), those who ported out of Hartford enjoyed improvements in neighborhood quality. A regular Section 8 holder from Hartford living in the city lives in a census tract with a poverty rate of 28.7%, while the poverty rate for the average participant who ports out of the city is 7.0%. The level of minority segregation in these neighborhoods is also less compared to city areas. In addition, the minority population in a census tract within the city for a Section 8 holder is 73.7%, compared to an average mobility program participant who lives in a minority population of 19.3%. Ninety percent of participants live in census tracts with less than 40% minority population.

The limiting factor for the success of portability is the difficulty faced by low-income families in leaving neighborhoods and support networks. In the New Haven survey, 52% thought they would have obstacles to moving such as a lack of transportation (cited by 33%) and difficulty separating from relatives and friends (11%) (Donovan 1994, 7).

Despite the success of the Hartford program, other evidence reveals little sign of large-scale deconcentration of subsidized households. Pope (1995) found evidence of only 41 households who ported from Washington, D.C., to Maryland, and only 7 who moved from Washington, D.C. to Virginia, while finding 99 moving (changing jurisdictions) within Maryland and 657 moving within Virginia. Most Section 8 participants porting out of Berkeley, California, go to Oakland, where there is a more affordable rental housing stock (Barton 1998).

In the Minneapolis–St. Paul metropolitan area, Malaby and Lukermann (1996) found that the two central cities reaped the largest gains in Section 8 households—253 for Minneapolis and 198 families for St. Paul. Suburban areas tended to lose more subsidized

families than they gained through portability. Households moving to the central cities were most likely to cite “no acceptable units elsewhere” and “need for a larger unit” as reasons. They also mentioned availability of public transportation, a reason almost never mentioned by those going elsewhere. The central cities retain critical advantages for low-income families when it comes to making mobility decisions, and in that context the deconcentrating effects of porting are limited at best. It is even possible that greater concentration might be the ultimate outcome of enhanced geographic choice for Section 8 families (Malaby and Lukermann 1996).

Mobility Programs

Programs that combine Section 8 tenant-based assistance with mobility counseling and other special efforts (or special program requirements) to deconcentrate subsidized households are referred to as “mobility programs.” Mobility programs go beyond the regular Section 8 program in any of three different ways: (1) they require participants to move to “nonconcentrated” neighborhoods; (2) they incorporate forms of mobility counseling to assist households in choosing neighborhoods they would not necessarily have chosen without greater information; and (3) they include an active recruitment of landlords in neighborhoods not traditionally receptive to Section 8 families.

There are five major categories of mobility programs in operation in the United States currently (Turner 1998), three of which this report addresses in detail. The first is the result of recent efforts on the part of the federal government to shift project-based subsidies to tenant-based assistance. In HUD subsidized buildings that are no longer financially viable, or that have high vacancy rates, or in which the project-based subsidies have expired or are prepaid, families are given Section 8 vouchers in a process called “vouchering out.” These families are then instructed and assisted in using the vouchers on the open market, relocating to a neighborhood and housing unit of their choice. This is included in the category of a mobility program because of the mobility counseling provided to households, and because the policy objective in vouchering out is to disperse subsidized households.³

The second category of mobility program stems from a set of litigation settlements across the country. These lawsuits were typically filed as housing discrimination cases in which it is alleged that the local housing authority and HUD willfully and negligently segregated subsidized housing projects in predominantly minority neighborhoods. The most famous of these suits is the Gautreaux case in Chicago, which has resulted in a mobility program that has become a national model for other efforts. More recently, HUD has taken to settling these cases out of court where possible (Hartman 1995). Many of the resulting consent decrees incorporate Gautreaux-like mobility efforts.

The third category of mobility program is the federal government’s Moving to Opportunity (MTO) program. This demonstration program, enacted by Congress in 1992,

³ A second policy objective that is at least as important is the financial rationalization of the older HUD projects.

was influenced by the documented outcomes of the Gautreaux program, and incorporated many of the features of the Gautreaux effort (Briggs 1997; Stoll 1999).

Fourth, HUD has created several Regional Opportunity Counseling programs around the country to promote regional collaboration in Section 8. These programs combine landlord recruitment and mobility counseling to enhance mobility.

Finally, there are a variety of local programs around the country, such as the Hartford voluntary program (Donovan 1994), that combine elements of counseling and placement to facilitate the mobility of low-income households. In all, there are more than 50 of all types of programs operating in more than 35 metropolitan areas across the country (Briggs 1998).

A significant amount of research has been completed on the impacts of mobility programs on lower income households. The typical method of research has been to interview families after they have moved to ask them a series of questions about their experiences in their new homes compared to their previous residence. In the case of the Gautreaux program, which has been in operation for a long period of time, follow-up interviews were conducted several years later to determine long-term impacts. Briggs (1998) argues that there are some methodological problems with these studies that hinder our ability to apply the findings across the entire population of low-income households. The most notable limitation is "selection bias." Most mobility programs are voluntary programs that also incorporate screening of participants. This means that those who end up in the program are systematically different from the entire population of subsidized (or low-income) households. As a result, it is impossible to determine whether the improvements that occur in the lives of mobility participants are the result of their new environment, or the result of the fact that these households may have, on average, more resources or initiative to improve their situations than families not participating in the program.

In the Gautreaux studies where a comparison group is used, participants volunteered for one or the other group, indicating the high potential for selection bias. In some studies, no comparison group is used at all, making causal inferences impossible. Briggs (1998) also argues that most studies have failed to distinguish between direct and indirect effects, and have poorly specified how those effects may have occurred. Briggs argues, for example, that many studies do not attempt to establish whether mobility families have indeed experienced the level of contact and exposure to the environments thought to influence behavior.

The Moving to Opportunity program was designed to rectify the selection bias problem as much as possible. Participants still volunteer for the program, thus generalizing the findings to the entire population of public housing residents is not possible. However, assignment to the mobility program, the regular Section 8 program, or no further assistance at all (the stay-in-place control group) is done randomly. Therefore, differences in outcomes for these groups should be related only to the program treatment. HUD has awarded eight research grants to teams around the country to study the social, employment, and educational impacts of mobility on parents and children (HUD 1996; HUD 1999).

Briggs (1997) attempts to determine how mobility impacts occur. Referring to Wilson's (1987) argument about the social isolation of the poor, and Wacquant and Wilson's (1989) findings that ghetto residents have fewer social contacts and fewer employed social contacts compared to those living outside of concentrated poverty, Briggs focused on the size and nature of the social networks of mobility participants. He distinguishes between two types of social capital: social support and social leverage. Social support is the kind of assistance people rely upon to get by on a daily basis, such as someone to watch the kids for a couple of hours, give a ride to the grocery store, and so on. Social leverage is the kind of assistance that could result in improving one's situation; for example, information on job opportunities or a reference to a potential employer. Briggs (1998) hypothesizes that living in concentrated poverty makes one's social network "denser, more strictly local, and often redundant from the standpoint of social leverage (i.e., having the same limited information on jobs and educational opportunities)" (189). Mobility programs hold the promise of increasing that type of social leverage for low-income families, but only if these families interact socially in their new communities. At the same time, the worry related to mobility programs is that they may significantly reduce the amount of social support for low-income families (Briggs 1997).

The following sections examine the empirical studies that have been conducted on various mobility programs. The report considers "vouchering out" and the Gautreaux programs separately, because of the special features of the former and the large body of research on the latter.

Vouchering Out

"Vouchering out" occurs when HUD project-based assistance is terminated—either through a conversion of a building to market rate rents, or through a demolition of an older project and the provision of tenant-based subsidies to the displaced households. Typically, families that are vouchered out are given some form of mobility or relocation counseling and assistance. As Polikoff (1997) argues, programs that demolish housing units and replace them with Section 8 certificates have the largest impact on reducing small concentrations of poverty. The policy objective of promoting greater choice depends upon (a) tenants' desire to move, (b) availability of affordable units, (c) landlords' acceptance of housing certificates, and (d) housing discrimination (GAO 1995). Vouchering out is significantly different from other mobility programs in that the families are involuntarily displaced from their homes. This can have important implications for the experiences of the families who move. To date, there is only one careful study of vouchering out. The study looks at the experiences of families in four different projects, one each in San Francisco, California; Newport News, Virginia; Kansas City, Missouri; and Baltimore, Maryland (HUD 1998; Varady, Walker, and Wang 1999).

Housing Search Many of the displaced residents wanted to remain in the same community in which they had been living for a number of reasons. Respondents cited their own lack of transportation, a desire to remain close to their support systems (including

friends, family, and church), a tendency to search in familiar areas, and a fear of discrimination in their searches and in their new neighborhoods as reasons for restricting their searches (HUD 1998). Many of the families were directed to nearby units through the referral lists of landlords given to them in the relocation process.

In San Francisco, where the housing market was tight, displaced households took an average of three and a half months to find a new apartment. At the other three sites, the average was between one and two months. About one in four families reported being the victim of discrimination in their housing search. The most frequently cited reason for the discrimination was the family's status as a Section 8 certificate/voucher holder. The authors conclude that the rate of reported discrimination might have been higher except that families avoided predominantly white areas in their housing searches (HUD 1998).

Relocation counseling was made available to the displaced families at these sites, although not all families made use of it. The data showed that those who used the relocation services were no more likely to learn about opportunities in distant places than other families who did not use the relocation counseling (Varady, Walker, and Wang 1999).

Locational Outcomes Most of the voucherred-out families at the four study sites made short moves. In Baltimore, 40% remained in the West Baltimore neighborhood from which they came. Most of the rest of the households moved elsewhere in the city. In San Francisco, although only 10% remained in the original neighborhood (Visitacion Valley), the rest of the households moved into Bayview Hunters Point and the Western Addition, the two nearest high-poverty, high-minority neighborhoods in the city. In Newport News, about 50% remained in the east end of town, 27% moved to other parts of the town, and the rest went to the neighboring city of Hampton. In Kansas City, 99% stayed in the city (HUD 1998).

The new neighborhoods of the voucherred-out families had, on average, higher median incomes than did the older neighborhoods. In three of the cities, a slight majority of households moved to neighborhoods with fewer African Americans as a percentage of all residents. In Baltimore, only 10% of the families made such moves. The housing values in the newer neighborhoods were lower than in the original neighborhoods at all sites except San Francisco (HUD 1998).

Individual Outcomes At three of the four sites (excluding Kansas City), more than half of the households surveyed stated they were unhappy about moving or would have preferred to stay in their old homes. Long-term residents and older residents were least happy to move (HUD 1998).

Vouchering out did not lead to any increase in employment among the families studied. The authors suggest that this is because most of the moves made by families were very short, and, as a result, most families did not improve their chances of accessing more

employment opportunities. Housing expenses for vouchered-out families rose in two of the sites (considerably so in San Francisco), and fell at the other two (HUD 1998).

Despite the fact that these households were involuntarily displaced from their homes, and despite the fact that most did not want to move, approximately two-thirds were more satisfied with their new homes than with their original developments. The other one-third of the respondents said that their current housing conditions were worse, or the same as, conditions at their previous development (HUD 1998).

The increased residential satisfaction is probably due to the fact that their vouchered-out projects were in “exceptionally bad condition” by the time they moved. Similarly, households were more satisfied with their new neighborhoods than with their previous ones. Respondents reported a greater sense of safety at their new homes, as well as improvements in shopping and proximity to friends (HUD 1998).

Housing and neighborhood satisfaction were not related to the distance moved or to the use of mobility counseling in the relocation process. In fact, housing satisfaction was greatest among those who confined their search to the immediate neighborhood and relocated to a location close to their old apartment (Varady, Walker, and Wang 1999). Similarly, those who began to look for a new apartment relatively soon after learning they had to move were more likely to be satisfied with their new homes than those who waited. This, argue Varady, Walker, and Wang, is probably a reflection of their greater motivation to move. Those who spent the most time in the housing search were least likely to be satisfied with the new housing conditions. Thus, the expectation that mobility counseling leads to a longer, more intensive housing search, a longer distance move, and ultimately greater satisfaction with the new home was not supported at these four sites.

Gautreaux

The most notable lawsuit dealing with desegregation and deconcentration is the Gautreaux case. There were, in fact, two Gautreaux cases. The first, decided in 1969, was a case in which the federal district court found that the Chicago Housing Authority discriminated in the placement and leasing of public housing, and ordered it to provide additional units on a scattered-site basis in predominantly White areas (Rubinowitz and Rosenbaum 2001). There were several court-ordered modifications of this remedy during the next two decades. A second Gautreaux case against HUD moved along another track. After an appellate court had ruled that HUD was also culpable, the Supreme Court ruled in 1976 that a metropolitan-wide remedy was possible (Rubinowitz 1992). As a result, the remedy that was adopted encompassed the entire six-county Chicago metropolitan area in which HUD operated programs.

The legal remedy called for CHA units to be built in census tracts that were less than 30% African American, or within one mile of such tracts (Rubinowitz 1992). The metropolitan remedy allowed for the use of Section 8 certificates by African American public housing

residents in areas of the region that were less than 30% Black. In the first 15 years of the program, 4,500 participants moved to mostly White areas. The majority moved into about 115 predominantly White suburbs (Rubinowitz 1992).

The program provides an orientation workshop and initial credit check and home visit for interested families. At that time, a counselor is assigned to the family. Participants have six months to find an appropriate apartment, with the help of the mobility counselors. The counseling also includes information the tenants would need after their move, such as referrals to local service agencies. Rubinowitz (1992) argues that many families would not participate were it not for the counseling element of the program.

To get landlords to participate, the program screens applicants for them. Program officials obtain credit checks, make home visits, and also require letters of reference for each applicant. Participating landlords are assured of both confidentiality and the fact that the program would avoid reconcentrating participants (Rubinowitz 1992).

The experiences of Gautreaux families were tracked by researchers at Northwestern University. The research is a form of quasi-experimental design (post-test-only with non-equivalent groups). In the Gautreaux research, those who used the program to move to the suburbs are compared to those who entered the program and moved to other (non-concentrated) parts of Chicago. The study also incorporates retrospective comparison of participants with their previous housing situation. Thus, the following research summaries present comparisons between city movers and suburban movers, and comparisons between post-move conditions and pre-move conditions.

Education Among the suburban movers, youth aged 17 years or younger were less likely to drop out of high school compared to city movers (5% to 20%), more likely to be on a college track (40% to 24%), and more likely to attend college (54% to 21%) (Kaufman and Rosenbaum 1992). Among those attending college, half of suburban movers went to four-year institutions and two-thirds were working toward an associate's degree (compared to only half of city movers) (Kaufman and Rosenbaum 1992).

The research also showed that suburban teachers offered more educational assistance to children than was reported by city movers. Parents felt that teachers responded better to the educational needs of their children, treated them better, helped more often, and went out of their way to help their children more frequently than city-mover parents (Rosenbaum, Kulieke, and Rubinowitz 1987; 1988). Grade-school children had difficulty adjusting to higher expectations of suburban schools, but their grades (relative to the city movers) did not suffer, indicating they had adjusted to the more rigorous standards (Rosenbaum, Kulieke, and Rubinowitz 1987; 1988; Kaufman and Rosenbaum 1992). Parents also noted that their children's attitudes toward school improved after moving to suburban areas (Rosenbaum, Kulieke and Rubinowitz 1987; 1988).

Despite these positive outcomes for suburban movers, there were also significant problems noted in the suburban schools that received these African American inner-city children. Participants reported a racial bias in the suburban schools that made adjustments by their children difficult. Second, and perhaps most troubling, was the tendency for suburban schools to place these children in special education programs (for learning disabilities and for educable mentally retarded children) at a significantly higher rate than did city schools (Rosenbaum, Kulieke, and Rubinowitz 1987; 1988). Pre-move, 7% of families reported children in special education tracks, compared to 19% post-move in the suburbs and 5% post-move in the city (Rosenbaum, Kulieke, and Rubinowitz 1987). Most of the parents attributed this outcome to the racism of suburban school officials. Despite these reservations, participants reported significantly greater overall satisfaction with schools in the suburbs than did the city movers (Rosenbaum, Kulieke, and Rubinowitz 1987; 1988).

Employment The studies of Gautreaux families indicate that there were some employment benefits associated with a move to the suburbs. A significantly higher percentage of suburban youth than city youth were working (75% to 41%) (Rosenbaum 1991; Kaufman and Rosenbaum 1992). Among adults, the work experience prior to moving was identical for city and suburban movers. After moving, however, suburban movers were 13% more likely to have a job than were city movers (Rosenbaum and Popkin 1991). Even controlling for human capital factors, suburban movers were more likely to become employed than were city movers. Among those who were unemployed prior to moving, 46% of the suburban movers found jobs compared to only 30% of the city movers (Rosenbaum and Popkin 1991).

There was little difference between city and suburban movers in hourly wages and the number of hours worked (Rosenbaum 1991; Rosenbaum and Popkin 1991). Suburban youth reported higher pay than city movers, although there was no difference in job prestige across the groups (Kaufman and Rosenbaum 1992). Suburban youth were also more likely to have paid vacation, sick leave, and health and education benefits than were city movers (Kaufman and Rosenbaum 1992; Rosenbaum 1991).

Suburban movers indicated that the greater number of jobs in the suburbs was a factor in their employment success. They also mentioned that their increased sense of personal safety and the safety of their children allowed them to get out of the house to work. Suburban movers also reported that their new environment increased the motivation of their children. The environmental effects mentioned included higher school expectations and having positive role-models and peer pressure (Kaufman and Rosenbaum 1992; Rosenbaum and Popkin 1991). Overall, suburban movers reported that they believed the move had improved their labor market experiences, while the city movers did not (Rosenbaum 1991). Participants did report that the lack of transportation in suburban areas, the difficulties of securing childcare, and discrimination were significant obstacles to the search for employment (Rosenbaum 1991).

Social Interaction The Gautreaux evaluation also looked at the degree to which participants (both adults and children) were integrating into their social environment in the city and the suburbs. Among children, there were no differences between the city and suburban movers in “feeling a part of the school,” in receiving respect from other students, or in overall social integration (Rosenbaum and Meaden 1992; Rosenbaum et al. 1991).

Moving to the suburbs did not seem to have an effect on the size of the social circle reported by youth. Suburban movers did report, however, having fewer Black friends and more White friends than did city movers (Rosenbaum and Meaden 1992; Rosenbaum et al. 1991; Rosenbaum and Popkin 1990). Suburban movers reported a higher degree of interaction with White children on a number of dimensions, including contact outside of school, sharing homework, and visiting homes. Suburban movers are more in agreement than city movers with the statement “Whites are friendly” (Rosenbaum and Meaden 1992). In the suburbs, however, 52% of young people reported at least one incident of name-calling compared to only 13% of city movers (Rosenbaum and Meaden 1992; Rosenbaum and Popkin 1990). The percentage of suburban movers who reported harassment decreased over time to 25%, a percentage that is not statistically different than that reported by city movers (Rosenbaum and Popkin 1990).

Among adults, a move to the suburbs did not have a detrimental impact on social interaction. There are no significant differences between city and suburban movers on any of the individual scale items or the full-scale measure of social integration. The scale items included how frequently they loan things to neighbors, let a neighbor use the telephone, watch kids, eat lunch or dinner with neighbors, greet neighbors in the street, or talk to neighbors for at least 10 minutes (Rosenbaum and Popkin 1990). Both city and suburban movers reported less interaction with neighbors after moving. Suburban movers were, however, twice as likely to complain of isolation and loneliness compared to city movers (Rosenbaum and Popkin 1990; Rosenbaum et al. 1991).

Satisfaction Both city and suburban movers reported higher levels of satisfaction after moving out of their public housing units. Suburban movers reported significantly greater satisfaction with police and schools, but significantly less satisfaction with medical and transportation services. City movers reported more satisfaction in all four areas (Rosenbaum and Popkin 1990).

Suburban movers also felt better about their children’s experiences: they were more likely to indicate that their children were doing better in school, that they were happier with their children’s school, and that they were happier with their children’s friends (Rosenbaum and Popkin 1990). There were no differences between city and suburban movers on respondents’ reporting that they had “more money” or “better housing” (Rosenbaum and Popkin 1990).

Scale Schill and Wachter (1995) argue that the successes of the Gautreaux program are an indication that counseling can help poor families escape racial segregation and

concentrations of poverty. But, they argue, the program needs to incorporate more fully the interests of landlords, because many landlords were scared away by the types of families (ex-public housing families), the race of participants, and the rights that are accorded Section 8. As a result, the program was only able to achieve a 25% lease-up rate. That is, for every four families who tried, only one actually found an apartment on which to use their Section 8 subsidy.

This outcome reveals somewhat the self-limiting nature of the program. At minimum, cooperation from private landlords is necessary to operate the program. This participation can be negatively affected by the popular image of public housing households or by prevailing racial attitudes in metropolitan areas. In addition, too much visibility in such a program could lead to neighborhood opposition, which in turn might negatively affect landlord reactions. Ultimately, Rubinowitz (1992) argues that programs like Gautreaux can, at best, play only a modest role in dealing with concentrated poverty in central-city areas.

One analysis of the program argues that the system of Section 8 FMRs significantly limits the housing available to Gautreaux families. There is also some evidence that some landlords opted out of the program because of the race of Gautreaux families and other attributes of the families (Rubinowitz 1992).

Finally, there is some question as to how far one can generalize the Gautreaux findings. The program generally selected smaller families, and they screened these families to make sure they had a source of income, had regularly paid their rents in the past, and had acceptable housekeeping skills. Rosenbaum et al. (1991), arguing that self-selection was not a serious source of bias, point out that these criteria reduced the eligible pool by less than 30%. Overall the researchers argue that the Gautreaux families are representative of perhaps 50 to 75% of public housing residents.

In any case, the experience of the Gautreaux program convinced many that mobility programs that integrate landlord recruitment, tenant counseling, and placement services could begin to overcome patterns of residential segregation and improve the lives of poor families (Goering, Stebbins, and Siewart 1995).

Recent HUD Desegregation Lawsuits Although the Gautreaux cases are the oldest and perhaps best known court cases alleging discrimination and segregation in public housing, a number of other lawsuits have been filed in cities across the country. During the Clinton administration, HUD decided to settle with plaintiffs in these cases whenever possible. In all, HUD has entered into consent decrees in more than 12 cases nationwide, the Hollman consent decree being one such case. Although the settlements differ in detail from case to case, there are several common themes that run through them all. Typically, the settlements call for demolition of some public housing, construction of scattered-site replacement housing, and development of mobility programs (with counseling) through which those in the plaintiff class are provided with tenant-based assistance

to make desegregative moves (Popkin et al. 2000b). Elements of some of the decrees not included in the Hollmansettlement are the merging of Section 8 and public housing waiting lists, and community development in areas surrounding the public housing stock.

The combination of public housing demolition, redevelopment, and mobility programs makes these legal settlements hybrids of the HOPE VI and MTO programs. The settlements deal with older public housing much as the HOPE VI program does—by emphasizing demolition and redevelopment of the sites into lower density, mixed-use developments. Many of the consent decree sites have, in fact, made use of HOPE VI program funds to accomplish just those objectives. In addition, however, the lawsuits incorporate the MTO model of geographically restricted Section 8 vouchers and mobility counseling to facilitate deconcentration of households.

A recent Urban Institute baseline evaluation offers some early findings on how the decrees are being implemented. The researchers found that remedies that require greater cooperation between agencies are typically the most difficult to implement. This includes the development of scattered-site housing, the creation of interjurisdictional mobility programs, and the provision of tenant-based subsidies (Popkin et al. 2000a).

Typically, the demolition of public housing has proceeded without much delay. This is not surprising given the local housing authorities' almost total control over this process, and the priority HUD has given to demolition in recent years. Dallas has demolished more than 2,500 units, and in Omaha more than 700 units were taken down in a two-year period. Sometimes, as in Omaha, the rate of demolition was faster than the ability of tenants to find new homes, necessitating temporary relocations and subsequent moves by the families (Popkin et al. 2000a).

Changes to tenant selection procedures and the merging of waiting lists also has occurred quickly at most sites. Even public housing modernization and rehabilitation has taken place without problems in those cities where it is called for by the decree. As Popkin et al. (2000a) point out, action on these items has been swift because it does not require coordination across separate agencies.

Other elements of the decrees have been more difficult to implement. The development of replacement housing, for example, has not occurred on a large scale at any of the sites studied by the authors. In some cases the delays have been due to community resistance to the development of scattered-site housing, in other cases a lack of interest from private developers.

The researchers identify a number of factors that have impeded progress in implementing the decrees. The first, as suggested above, is conflict among the different agencies implementing the decrees and the difficulty of coordinating multiple agency activities. In most cities, there are multiple defendants responsible for implementing portions of the decrees. In some cases, there has been conflict in the selection of contractors, while in other

cases, simply coordinating the agendas and resources of multiple agencies has slowed down implementation.

Another impediment identified by Popkin et al. (2000a) is community opposition that has arisen at each site to scattered-site housing. In Dallas, two lawsuits by homeowners associations have been filed to stop the development of scattered-site units in suburban areas. The first suit was dismissed by the district court, but the second suit, *Highlands of McKamy et al. v. the Dallas Housing Authority* (1999), was ruled on by the Fifth Circuit Court of Appeals. The ruling was in favor of the homeowners association and the court essentially held that the scattered-site development of new public housing in White neighborhoods violated the equal protection rights of homeowners in those neighborhoods (Popkin et al. 2000b). This extraordinary ruling effectively ended the scattered-site program in Dallas. The court of appeals preferred a tenant-based remedy that it considered more race-neutral than a program of scattered-site development.

In Allegheny County, Pennsylvania, local government officials in receiving communities vocally opposed the scattered-site program, and a crowd of 250 people protested the housing authority's purchase of three townhouses. Some even started a movement to secede from the county to avoid having to accept three units of subsidized housing (Popkin et al. 2000a). In New Haven, several homes purchased by the housing authority for the scattered-site program were the targets of arson. Public hearings in New Haven and Omaha have been extremely contentious on the issue of developing affordable units in nonimpacted neighborhoods.

Another impediment to the smooth implementation of the decrees has been opposition to some elements of the decrees by the plaintiff class. In Dallas, a group of public housing residents opposed the demolition of the public housing. In Buffalo, too, there was resistance to demolition.

The mobility programs launched as part of the decrees in those cities also produced implementation challenges. First, there was the reluctance on the part of many people to make desegregative moves. Many participants feared discrimination in the housing search and harassment in the new communities. Others shied away from the mobility programs because of perceived financial barriers to the relocation process, while still others were reluctant to move away from areas with which they were familiar and away from support networks on which they relied. In Omaha, where families could use their Section 8 subsidies in any area if they were unable to find a unit in a non-impact neighborhood after four months, many simply waited out the four months and then moved into an impacted area (Popkin et al. 2000a). In New Haven, members of the plaintiff class did not want to move to the suburbs, away from friends and support networks (Popkin et al. 2000b). The authors suggest that long-term support for those who relocate is necessary to keep families from moving back into impacted areas.

Mobility programs were also hindered by a lack of units at or below the fair market rents. Very tight rental housing markets in New York City, Dallas, and Omaha made the competition for units very intense, and made it difficult for the housing authorities to recruit landlords to participate in their programs. Finally, many mobility participants suggested that the lack of transportation in nonimpacted communities was a barrier to mobility. Even where bus routes existed, the distances are so great that getting to and from work and stores was very difficult.

Despite these implementation problems, the Popkin et al. (2000a) study concludes that there has been encouraging progress made at most of the consent decree sites. Local housing authorities have shown a willingness to reform themselves to meet changing priorities. Participants in the mobility programs report greater (although not uniformly so) satisfaction with their neighborhoods and their children's schools.

Moving to Opportunity

The Moving to Opportunity (MTO) program was authorized by Section 152 of the 1992 Housing and Community Development Act. Congress appropriated \$20 million in 1992 and another \$50 million in 1993 for the program. Authorized as a demonstration program, MTO operates in five cities: New York, Los Angeles, Chicago, Boston, and Baltimore. The program is designed to provide Section 8 tenant-based assistance to families living in public housing or project-based Section 8 in areas with high-poverty concentrations (greater than 40% of residents below the poverty level) (HUD 1996; HUD 1999). Although modeled after the Gautreaux program, MTO differs from that litigation-based program in one important way: the receiving neighborhoods are defined by their degree of poverty, not by their degree of racial concentration. Similar to Gautreaux, however, MTO uses nonprofit agencies to recruit landlords to participate, and to provide screening of program participants, mobility counseling, and support in the search and resettlement process (HUD 1996; HUD 1999).

The program was operational in all five cities by February 1995. Each of the five local housing authorities established a waiting list of those eligible for MTO, and then proceeded with recruitment and the random assignment of volunteers to one of three groups—the MTO experimental group, the Section 8 comparison group, and the stay-in-place control group. The experimental group members were referred to the nonprofit counseling agency to begin their counseling and search for housing. They were given Section 8 tenant-based subsidies and were required to relocate into census tracts in which less than 10% of the population was under the poverty level. The Section 8 comparison group was also given a Section 8 certificate, but thereafter treated no differently than any other regular program participant. Thus, their housing search was not restricted to low-poverty areas and they received no special mobility counseling. Finally, the stay-in-place control group members remained in their public housing or project-based Section 8 units (HUD 1996; HUD 1999). Program participants were randomly assigned to one of the three experimental groups to

determine more precisely whether differences in outcome that occur across the groups are attributable to the counseling and assistance received by the participants. The U.S. Department of Housing and Urban Development plans to monitor the families for a 10-year period to document their educational, employment, and social experiences (HUD 1996; HUD 1999).

The program implementation was delayed in Baltimore because of the strong reaction of politicians in some inner suburbs. Moving to Opportunity was starting up just at the time that local elections were taking place in Maryland, and the issue was picked up by several political candidates in the area. A Republican gubernatorial candidate called the program “social engineering.” Another statewide candidate from the suburbs of Maryland made the program a main campaign issue and talked about the prospect of public housing families moving out of Baltimore and into the suburbs. Intense opposition to the program arose in a number of inner-ring suburbs (ironically enough, these suburbs had poverty levels too high to even qualify to receive any MTO families). The reaction, according to one observer, “bordered on mass hysteria” (Moberg 1995). One political candidate, perpetuating negative images of public housing families, suggested that residents of “the projects had to be taught to bathe and how not to steal” (Moberg 1995, 16). Anti-MTO buttons and T-shirts were made up and distributed to people fearing an “onslaught of inner-city blacks” (Moberg 1995, 15). The result was that Maryland Senator Barbara Mikulski, chair of the subcommittee of the Senate Appropriations Committee, killed further funding for the program. As one HUD source was quoted as saying, “the congressional message was clear: ‘We don’t want to hear anything more about HUD programs to move poor blacks into white neighborhoods’” (quoted in Rusk 1999, 274).

The Baltimore program did recover to operate as the others, but MTO as a whole was restricted by Congress to its original appropriation of \$70 million. According to Moberg (1995):

The experience of Baltimore suggests that public authorities should lay careful political groundwork for housing mobility programs to minimize the ability of demagogues to distort plans and inflame passions. Ultimately, white suburbs in most cases are willing, if they do not seem overwhelmed with their own economic and social problems, to accept some inner-city black poor in their midst. (31)

Rosenbaum and Miller (1997), therefore, argue that participant screening is one of the most important elements of a successful mobility program. According to them, screening does not have to be highly selective, but it is essential to reassure third-party participants such as landlords and neighbors that the program’s participants have the resources to meet the demands of the program. Appealing to landlords and neighbors is, according to Rosenbaum and Miller (1997), absolutely necessary for the program to succeed.

Housing Search Participants of mobility programs are doubly restricted in their housing search compared to conventional Section 8 participants. Like all Section 8 participants, they are restricted to apartments that are at or below the HUD-established fair market rent level. In addition, however, mobility program participants are restricted to looking for those units only in certain neighborhoods—neighborhoods that meet the low-poverty- or low-racial-concentration criteria of the program. Because FMRs may not be high enough to allow access to many suburban markets (Tegeler, Hanley, and Liben 1995) and most lower cost apartments are clustered in disadvantaged neighborhoods, the additional restrictions of mobility programs make the successful utilization of the subsidies difficult. As noted, the Gautreaux program has achieved only a 25% lease-up rate over its years of operation. In contrast, MTO improved on Gautreaux lease-up rates at all of its sites, but still only achieved a 47% lease-up rate across the five program sites (HUD 1999).

Early results from Baltimore show that 5% of the participants wanted to relocate elsewhere in their neighborhood, 60% wanted to move to different neighborhoods within Baltimore, 26% expressed a preference for the suburbs, and 7% wished to leave the Baltimore area entirely (Norris and Bembry 1998). In actuality, 38% of the experimental group moved outside the city compared to only 3% of the comparison group (Ladd and Ludwig 1997).

Most participants in Baltimore indicated they wanted to move into integrated neighborhoods: 78% preferred a neighborhood with a racial/ethnic mix, while only 4% preferred mostly White and 13% preferred mostly Black neighborhoods (Norris and Bembry 1998). More than half (58%) said that race was not an important factor in their ultimate choice of neighborhood.

Most participants wanted to move out of their neighborhoods to escape “drugs and violence” (54%) or to improve their housing conditions (27%). Among second reasons for moving, 31% identified better schools, 29% wanted a better apartment, and 27% wanted to escape drugs and violence (Norris and Bembry 1998).

The MTO participants in Baltimore were not strongly attached to their neighborhoods (Norris and Bembry 1998). Fewer mobility participants, compared to the comparison group, felt that it was important to live near family and friends. Most entered the program because they wanted to move away from gangs, crime, and drugs (HUD 1996; HUD 1999). Many also indicated a desire for better housing conditions and schools. Less than 1 in 14 identified a job-related concern. MTO applicants had a higher rate of crime victimization than did public housing residents overall (HUD 1996; HUD 1999). The mobility counselors in Baltimore identified transportation as a significant constraint for many movers: 95% did not have cars, and more than 80% did not have valid drivers' licenses.

Evidence going back as far as the Experimental Housing Allowance Program (EHAP) indicates that mobility counseling can have a significant influence on locational choices

(Cronin and Rasmussen 1981). This has been confirmed by more recent studies showing that counseling and housing search assistance is very important to families who want to move to nonconcentrated areas (HUD 1996). In the MTO program, nonprofit organizations help to recruit landlords in low-poverty areas, assist families in finding properties, provide short-term counseling to participants aimed at easing the adjustment to their new communities, conduct credit checks, and visit MTO families after the move (HUD 1996). More than half of the Baltimore movers (59%) reported that budgeting assistance was the most valuable support they received, and transportation was most frequently identified as the most important service provided by the program.

Experience in the New Neighborhood Tegeler, Hanley, and Liben (1995) argue that mobility programs have resulted in a higher rate of movement from high-poverty to low-poverty neighborhoods compared to the passively applied Section 8 program. In Chicago, the neighborhoods to which MTO families moved were dramatically better than those of the Section 8 comparison group. In Baltimore, the treatment group in MTO was less likely to move to a neighborhood that was mostly African American (14% to 48% for the Section 8 comparison group) (Norris and Bembry 1998).

Early MTO findings report higher satisfaction with neighborhood, much lower fear of neighborhood crime, and low exposure to violence (Rosenbaum and Harris 2001). In the stay-in-place control group in Baltimore, 61% of participants reported problems with drugs and violence in their new neighborhoods, compared to 28% of the treatment group. For those who reported problems, a higher percentage of the comparison group (87% to 63%) felt the problem was serious (Norris and Bembry 1998).

Both the treatment and control groups were generally satisfied with their new neighborhoods. The treatment group reported higher levels of satisfaction with the new apartments compared to the regular Section 8 comparison group. But the comparison group was more satisfied with the public transportation in their neighborhoods, and there was no difference between the two groups on satisfaction with schools (Norris and Bembry 1998).

The early MTO results showed some gains in employment and earnings in Los Angeles (Hanratty, McLanahan, and Pettit 1997), but not in Boston (Katz, Kling, and Liebman 2001) or Chicago (Rosenbaum and Harris 2001).

Summary of Mobility Programs

A significant body of research has accumulated that looks at the variety of mobility programs, from Section 8 portability and vouchers out to Gautreaux and MTO. The experiences of these programs are summarized below, and some final observations about mobility programs are offered.

Program Operations

Three groups must accept mobility programs if they are to work well. The first group is the participants themselves. They must see the program as a legitimate avenue for improvement in their lives or housing situation. The acceptance of this group is easily measured by monitoring the demand for the programs locally. The second group that must cooperate for a mobility program to work is landlords and property managers. Because landlords are not required to accept Section 8 applicants, mobility programs must generate voluntary participation on the part of building owners and operators. Without a sufficient pool of apartments from which participants can choose, mobility programs will be unable to achieve their goals of deconcentrating subsidized households. Finally, mobility programs must also be accepted by local politicians and residents of the receiving communities. The support of these groups is critical if mobility programs are ever to achieve the scale necessary to make a significant dent in the problems of central-city ghettos and their residents.

In most mobility programs, the eligible population includes residents of public housing or those on the waiting list. In many cases, these families can move anywhere in the metropolitan area, and can even move back to a “concentrated” area after a year and keep the certificate (Polikoff 1997). The demand for participation in mobility programs varies. The Gautreaux program in Chicago generated more than 15,000 sign-up calls a year, while in other places, housing authorities struggle to allocate all of the mobility certificates they have available. The way a program is structured may have some impact on its success. The size of the eligible population is important. Second, some programs provide up-front bonuses to landlords who make more units available to the program. Other programs secure waivers from regular Section 8 guidelines to allow for larger security deposits and relax written notification requirements (Polikoff 1997).

Involuntary programs such as vouchering out and relocation due to demolition present a different type of difficulty in terms of participant acceptance. There is evidence from a few cities that participants often object to the loss of their homes, and that many prefer not to move from their units.

Voluntary mobility programs generally “cream” from the population of eligible public housing residents (Polikoff 1997). The fact that they are voluntary programs indicates the strong possibility that those who participate are more motivated than those who do not. Furthermore, the use of screening also ensures that participants are fundamentally different from those who are weeded out of the program. Even the lease-up rate may differentiate ultimate program participants from others. In the Gautreaux program, the lease-up rate (participants who successfully found and moved to an apartment that met all of the program criteria) was around 25%. In other cities, lower rates have been achieved. It is possible that those who are successful in leasing units are systematically different from those who are unable to do so. On the other hand, Donovan (1994) finds no evidence of creaming in Hartford, and Rosenbaum suggests that Gautreaux participants are representative of 50 to 75% of Chicago

public housing residents. Early MTO results indicate that applicants to the program are slightly older and are more likely to be employed than non-participants (HUD 1996).

Most programs screen tenants for rental payment history. This is done to enhance the political acceptance the programs receive, and to attract landlords to the programs (Polikoff 1997). Most programs also receive exceptions to the Section 8 FMR that allow them to authorize units up to as much as 120% of the area FMR.

Recruitment of new landlords or new units in middle-income areas is critical to the smooth and effective operation of mobility programs (Polikoff 1997). For example, the Gautreaux program in Chicago was implemented by a nonprofit organization with considerable experience in affordable housing issues in the city's suburbs. Suburban officials were familiar with the group and cooperated with the program. Even so, this level of experience in suburban areas was insufficient to attract large numbers of new landlords to the program. Chicago area landlords, as a group, harbored negative attitudes toward the Section 8 program and toward Section 8 participants (Rubinowitz 1992), and this limited their willingness to participate.

The shortage of appropriate units in the suburbs can also minimize program impact. This was a problem in Chicago and a concern in Hartford (Donovan 1994).

Program Impacts

Housing counseling is an extremely important element of successful mobility programs. The experience of programs in Hartford, Dallas, and Alameda County indicates that even simple information about regional housing opportunities can be helpful in facilitating moves to lower poverty areas (Polikoff 1997). Polikoff reports that mobility programs have housing counseling costs of between \$950 and \$1,650 per participant.

An examination of mobility programs that allow a move to suburban areas indicates that roughly 15 to 20% of the participants choose to move to suburbs (Polikoff 1997). That figure is higher for programs such as MTO that require a move to a low-poverty area. The MTO program in Baltimore, for example, had 38% of the treatment group relocate outside of the city, compared to only 3% of the Section 8 comparison group (Ladd and Ludwig 1997). In the Hartford program, which did not require a deconcentrating move, 36% of the families moved outside of Hartford (Donovan 1994).

Mobility programs typically produce significant changes in the social and economic characteristics of participants' neighborhoods (Polikoff 1997). These changes are the greatest among programs that require deconcentrating moves and less strong in voluntary programs (Polikoff 1997). For example, the voluntary relocation in Hartford was consistently geared toward lower minority areas. For those who moved to suburban areas, the percentage of owner-occupied units is two-and-a-half times that of central-city tracts (Donovan 1994). In the Cincinnati HOME program, the average destination census tract is 86% non-Hispanic White (Rosenbaum and Miller 1997).

Despite this record, have mobility programs weakened poverty concentrations at all? Even supporters of the approach suggest that the scale of programs has been too modest to produce a noticeable impact (Polikoff 1997; Rubinowitz 1992).

Employment effects were mixed. The Gautreaux program produced some improvements, while MTO and vouchering out generally have not resulted in job gains by participants. Changes in satisfaction among mobility program participants are more widespread. Mobility participants typically report that the move contributed to greater satisfaction in their living situation, greater feelings of safety, a belief that their children were receiving better schooling, and better services (except for public transportation). Those who moved also felt that they had more interracial and interclass interaction (Polikoff 1997).

Limitations and Opposition

There are five commonly voiced concerns about dispersal programs: (1) reclustered families might have adverse impacts on receiving communities, (2) the programs cream and therefore cannot be generalized to a broader population of the poor, (3) the programs can never operate at a scale great enough to make a difference, (4) the adjustment to a new community is very difficult for poorer families losing their support networks, and (5) the programs privilege an integrationist approach over one that stresses antidiscrimination. The possibility of other criticisms being made in specific cases can expand this list. For example, Donovan (1994) reported that there was political resistance to the Hartford mobility program due to the loss of revenue by city landlords when mobility participants moved to the suburbs.

The self-limiting nature of mobility was acknowledged in the Gautreaux program, where officials consciously attempted to run the program under the radar screen of suburban residents. The Gautreaux program generated little community response. Most of the limited organized response took place in integrated communities concerned about concentration and possible resegregation (Rubinowitz 1992). The political fragility of mobility is well illustrated by what happened to MTO in Baltimore in 1996.

Hartung and Henig (1997) argue that mobility programs may fare better politically if there are viable project-based alternatives (such as scattered-site or fair-share programs) because potential opponents would accept mobility more readily than they would the construction of new subsidized units in specific communities. Mobility programs like MTO and Gautreaux are faced with the paradoxical situation that they must remain small to remain politically viable, but that smallness ensures the problem will never be adequately addressed. The MTO program has succeeded in the demonstration sites (other than Baltimore) because its effect on neighborhood racial composition is imperceptible. In 1990, 5.9 million Black residents lived in urban neighborhoods with a Black poverty rate of more than 40%. Mobility programs, to date, have served less than 15,000 households (Polikoff 1997).

The distinction between efforts to remedy past discrimination on one hand, and efforts to force integration on the other, are pertinent to some inner-city advocates. As several observers have pointed out in the past, there can be tension between these two goals, the pursuit of integration sometimes requiring discrimination (Tein 1992). Rubinowitz (1992) argues that there is a “tension between the goals of providing as much housing as possible for low-income people and bringing about racial integration through publicly funded housing programs. Although those objectives may be compatible in theory, the urban historical, political, and social context suggests the difficulty of reconciling them in practice” (598). The tension is produced because of the relative ease of creating subsidized housing in central-city neighborhoods and the difficulty of locating these units in less disadvantaged neighborhoods.

Judicial remedies that force integration in subsidized housing fail to account for the right of non-White tenants to choose not to integrate. Forced integration in subsidized housing presumes that in a society free from discrimination, non-Whites will choose to live dispersed among Whites. Some argue that the belief that non-Whites prefer an integrated environment is, in itself, discriminatory because it denies legitimacy to the non-White community (see, for example, Tein 1992, 1470). It is unclear whether non-Whites, absent pervasive discrimination, would necessarily choose to live amidst “others with whom they share common heritage, values, beliefs, and culture” (Tein 1992, 1473). Where this is not explicitly known, there may be something problematic about judicial remedial structures that privilege (as most do) integration over antidiscrimination (Tein 1992).

When examined in this light, mobility programs take on a significantly different tone.

[W]e know of hardly a more suppressive move that governments can take in this society, than to control where we can live. Would any other people in this country even be thought of as fit subjects for such policies? And, would any other people not raise holy hell at the very thought that they should be shunted around from area to area, in the interests of satisfying white fear that whites will flee an area? (quoted in Goering 1986, 15)

Some in the minority community also argue that dispersal programs act to dilute minority political strength by draining off resources, attention, commitment, and people from the Black community (Rubinowitz 1992). Forced dispersal programs “imply a view of valid community as white over black and solidifies an already entrenched racial hierarchy” (Tein 1992). At the very least, mobility programs may imply that suburban areas are preferable to cities as places to live (Donovan 1994). There is a portion of the community that views dispersal as part of a history of forced migrations. “Why should we again be maneuvered from the land that we occupy?” (Rubinowitz 1992, 104).

HOPE VI

The federal HOPE VI program incorporates elements of both project-based and tenant-based assistance, and so it is considered as a separate category. The program works primarily

to demolish large and troubled public housing projects, redeveloping the sites into lower density, mixed-use, mixed-income developments. The redevelopment usually includes some units of public housing on-site, but also results in the conversion of many public housing families into Section 8 voucher holders. Thus, the program results in a net loss of public housing units, reduces concentrations of subsidized families, and contributes to the general federal conversion to household-based forms of housing assistance.

The HOPE VI program stems from recommendations made by the National Commission on Severely Distressed Public Housing, established in 1989. The commission reported in 1992 that approximately 86,000 units, or 6% of public housing, could be considered severely distressed. Congress authorized the HOPE VI program in 1992 to eliminate or revitalize the worst public housing developments in cities across the country. In order for this to occur, HUD and Congress revised several important policies related to public housing. The first was the repeal of the one-for-one replacement law, originally a part of the 1987 Housing and Community Development Act, which required housing authorities to produce a new unit of affordable housing for every one they demolished. Second, HUD eliminated the set of federal preferences that reserved public housing for the lowest income households. Finally, the agency gave authorization to use public housing development funds and operating subsidies for projects owned by a private entity other than a public housing authority (Salama, 1999). Thus, HOPE VI results in a triple deconcentration when combined with the guidelines of the new public housing law. There are fewer public housing units on site, they are mixed with more nonpublic housing units, and the income mix within public housing is greater than before.

Program Features

Demolition The one-for-one replacement law was the largest obstacle to the implementation of HOPE VI. The replacement rule, combined with the lack of federal funding for the development of new units, made the demolition of dysfunctional public housing developments virtually impossible, and certainly precluded any large-scale activity (Williams-Bridgers 1994). Housing and Urban Development Secretary Henry Cisneros was instrumental during the first two years of his administration trying to convince fellow Democrats to waive the rule for public housing. One Senate Republican aide said the secretary was “doing what no Republican Housing Secretary could have gotten away with” (Weisman 1996, 2517). Cisneros advocated the repeal of the rule even before the 1994 election gave Republicans the majority and threatened the very future of HUD. After the election, however, “every word out of Cisneros’ mouth...is about the need for demolition” wrote one national housing expert (Weisman, 1996, 2517). One-for-one replacement was eliminated in 1995, and permanently repealed in the 1998 public housing bill.

In the first three years of the program, only PHAs from the 40 largest U.S. cities or PHAs on HUD’s list of troubled housing authorities were eligible for HOPE VI funds

(GAO 1997). There was little doubt from the beginning that the biggest impact of HOPE VI would be in the demolition of thousands of units of public housing. Initial HUD targets were to demolish 100,000 units of public housing by the end of the century. They were almost one-quarter of the way there by the end of 1996 (Weisman 1996). The first five years of HOPE VI projects included plans to demolish 37,449 units of public housing and replace 27,526 units. The difference was to be made up in vouchers for families who had previously inhabited public housing (GAO 1997). By the end of the 1990s, HUD had planned to replace roughly 60,000 of the 100,000 units they wished to demolish. Although replacement housing is a goal of the program, HOPE VI does not provide funding for it (Salama 1999). Public housing authorities are required to channel other sources of public housing funds into the replacement housing. In Atlanta, for example, there were plans to build replacement housing off-site using the cash flow from the profitable on-site HOPE VI housing (Salama 1999).

In some cities the HOPE VI guidelines would virtually remake the face of public housing. In Chicago, which had a high percentage of distressed public housing projects, HUD guidelines call for demolition of 18,000 of the city's 41,000 public housing units (Wright 1998). Many of the city's most notorious public housing projects would be demolished under HUD plans. The Robert Taylor Homes would see the demolition of more than 4,000 units and only 1,276 rebuilt (Rogal 1999). On the city's north side, Cabrini-Green is slated to lose 1,200 units, with less than 600 being rebuilt (Bennett and Reed 1999).

Involuntary Deconcentration An important feature of the HOPE VI program is that residents who are displaced by the demolition of their public housing units are, like voucherred-out households, involuntarily dispersed. This has implications for the enthusiasm that program participants may have for the program, and because involuntarily displaced households are not forced to relocate to nonconcentrated neighborhoods, for the degree to which families are dispersed and the experiences they report in their new communities. Another group of HOPE VI participants stay in whatever public housing units are rehabilitated and maintained on-site, and so they experience deconcentration in place. These households experience something similar to those in the mixed-income developments discussed earlier.

In some cities, the scale of the demolition makes the relocation of public housing families difficult. Chicago lost 40,000 housing units in the 1980s, most occupied by low-income families. Presently there are simply not enough suitable affordable housing units in the private market to absorb all of the public housing families projected to be displaced (Wright 1998). Nevertheless, the CHA claimed that residents overwhelmingly supported the switch to Section 8. The residents' council, however, claimed just the opposite—that two-thirds of residents oppose CHA's demolition plan and the voucherred out of public housing residents (Rogal 1999).

Residents displaced in the Cabrini-Green redevelopment also had problems using Section 8 vouchers to find replacement housing. As Bennett and Reed (1999) argue, displacing public housing residents who are assumed to suffer from a lack of institutional and social supports actually severs any social networks that they might have had in place.

Former public housing residents in Chicago primarily have moved into segregated areas where the residents are as poor as they are, according to Rumbler (1998). A total of 71% of the public housing residents moved to census tracts that are greater than 90% Black, confirming Rubinstein's observation of a decade earlier that "displacees...are followers of racial change rather than pioneers" (Rubenstein 1988, 195). Approximately 85% live in tracts with an average income of \$15,000 or less. Thus, the record of relocated families is even worse than the Section 8 program as a whole.

Impact on Concentrations of Poverty There have been very few analyses of HOPE VI redevelopments and the new communities built on sites that had been the country's worst public housing. Bennett's work on public housing redevelopment in Chicago is the exception. His analyses of the Chicago case highlight the strong pressures for gentrification affecting even the worst of the city's public housing neighborhoods (Bennett 1999). The Cabrini-Green project was in the middle of a north side neighborhood undergoing aggressive real estate investment and upgrading as early as the late 1970s. By the mid-1990s, the median sales price of homes had increased from \$138,000 to \$700,000. Almost three times as many building permits were issued in 1990 compared to 1977. During the 1980s, the area lost 7,000 African American residents and gained 4,000 White residents (Bennett and Reed 1999).

The same process occurred two miles from the city's Loop, in an area next to the University of Illinois at Chicago campus. Gentrification began in that area, followed closely by plans to demolish three-quarters of the Abbott, Brooks, Loomis, Addams (ABLA) projects, to be replaced by 1,000 public housing units, 1,000 market-rate units, and 450 affordable units (Bennett 1999). Elsewhere, the City of Chicago has invested millions of dollars in neighborhood infrastructure improvements that have generated private market improvements in neighborhoods with large public housing projects. The dramatic real estate appreciation in neighborhoods near the Henry Horner Homes has slowed the development of off-site replacement housing for units demolished at that project. The Horner replacement units have also met with neighborhood opposition.

As in most HOPE VI programs, the redevelopment incorporates many of the precepts of new urbanism in the physical design of the site. These design orientations are meant to increase the informal socializing that takes place in the community and build social capital (see, for example, Lang and Hornburg 1998; Bothwell, Gindroz, and Lang 1998; Epp 1996). But beyond the physical proximity of public housing residents to more affluent residents of market-rate housing, Bennett (1999) argues, there is little that will ensure that cross-class social integration will actually take place. Popkin et al. (2000a), in fact, report that there is

little social cohesion in the redeveloped Henry Horner Homes and little evidence that the mixed-income approach results in socialization across income groups.

HOPE VI Program Summary

The HOPE VI program attacks the worst of the public housing that exists in American cities. Across the country, the program has accomplished the physical rehabilitation and redesign of the nation's most distressed projects. The worst of these projects have been demolished, and more will be demolished in the future. In their places are new, mixed-income, mixed-use communities, developed along neo-traditional design principles aimed at maximizing sense of community and the development of social capital. The new developments are undeniably more attractive than the deteriorated structures they replaced. Although HUD has encouraged cities to engage in evaluations of the community impacts of HOPE VI activity, and the agency is conducting an overall evaluation of its own, it is too early for any of those results to be in.

Salama's (1999) review of HOPE VI in three cities suggests a number of experiences. First, although the program was designed to leverage private investment in the redevelopment process, little investment has occurred. Public subsidies typically are required for all phases of HOPE VI projects, from relocation to demolition to infrastructure development. In San Antonio, public subsidy was being considered even for the development of market-rate housing. Salama also concludes that the total development costs per unit were well above those for the Low Income Housing Tax Credit program (62% above in Atlanta, 81% above in Chicago, and 113% above in San Antonio). Salama's results illustrate the fine line that the program must walk between triggering large-scale gentrification (as is suggested by Bennett's [1999] analysis of Chicago), and being forced to heavily subsidize redevelopment in other communities where the market is not so eager to reinvest.

Salama (1999) also presents findings on resident participation in HOPE VI planning. In places such as San Antonio, resident participation went smoothly and no problems were reported. In other cases, resident participation is more difficult to achieve or it is complicated by resident opposition to PHA plans. The Atlanta redevelopment studied by Salama was first proposed in 1972. It was resurrected before the Atlanta Olympics in 1996 and funded through HOPE VI. The Atlanta Housing Authority was not the driving force for redevelopment in Atlanta, and this created battles between the residents and developers. Because of the drawn-out process of redevelopment and the gradual emptying of the project, Salama argues that "resident participation becomes a strange concept when virtually no residents remain to participate" (131). The Chicago Cabrini-Green project generated significant resident opposition and was among the most acrimonious programs in the nation. Residents have fought for a greater say in the project for years, even suing to delay the project. Because of these types of political conflicts, HOPE VI resembles the urban renewal program when it was forcing primarily minority residents from their homes and neighborhoods in the name of revitalization (Keating 2000).

SUMMARY OF DISPERSAL POLICY

Dimensions of Dispersal Policy

There are three dimensions of dispersal policy that are especially relevant when considering the record of dispersal and its prospects in the future. The first is whether the program is unit-based (like scattered-site or fair-share approaches) or tenant-based (as in Section 8 mobility programs). The second relevant distinction is whether the program attempts to deconcentrate by introducing more low-income families into affluent areas, or by introducing more affluent families into neighborhoods that are currently poverty-concentrated. Scattered-site and mobility programs work by facilitating the movement of low-income families out of neighborhoods of poverty, and HOPE VI and some mixed-income approaches attempt to introduce greater income diversity in poor neighborhoods. Finally, most dispersal programs are based on voluntary participation, while vouchering out and HOPE VI are involuntary. Where a program lies on each of these dimensions has significant implications for the experience of the families and communities involved.

Figure 1 depicts dispersal programs along the first two dimensions: whether they are unit-based or tenant-based forms of housing assistance; and whether they target neighborhoods of concentrated poverty, operate to initiate changes in non-impacted areas, or are untargeted.

Vacancy consolidation and vouchering out are listed in both box 1 and box 6 because they involve the shift from unit-based to tenant-based housing subsidies. Thus, in equal amounts, they directly reduce concentrations of poverty at the site of the original subsidized development (box 1) and also disperse subsidized households in a nontargeted manner (box 6).

	Unit-based approaches	Tenant-based approaches
Neighborhoods of concentrated poverty	- HOPE VI 1 - Vacancy Consolidation - “Vouchering Out” - The Quality Housing and Work Responsibility Act of 1998	2
Nonconcentrated neighborhoods	- Scattered-site 3 - Fair-Share	- “Mobility programs” 4 - MTO, Gautreaux, etc.
Nontargeted	- Mixed-income developments 5	- Section 8 6 - Vacancy Consolidation - “Vouchering Out” - Regional Opportunity Counseling - Portability

Figure 1. Housing Programs to Deconcentrate Poverty

The public housing reforms of 1998 (The Quality Housing and Work Responsibility Act) also aim to reduce concentrations of poverty by increasing the diversity of incomes within public housing developments. The act requires that no more than 40% of new public housing residents have incomes below 30% of the area median. In addition, HUD regulations to enforce the act also aim to enforce income mixing within all buildings.

Using tenant-based forms of assistance to target subsidized housing in nonconcentrated areas is achieved through mobility programs that require participants to move to areas with lower concentrations of poverty or minority groups.

This leaves a final set of initiatives, both unit- and tenant-based, that are untargeted (boxes 5 and 6). The development of mixed-income housing, for example, is an attempt to desegregate by income within subsidized developments and is undertaken in both concentrated and nonconcentrated areas. There is no inherent targeting principle associated with this approach. Tenant-based efforts such as Section 8, the portability of Section 8, and the “vouchering out” of subsidized projects attempt to increase the mobility choices of subsidized households, but do not require relocation to nonconcentrated areas.

Research Questions

Impact on Families

Previous research has shown that the impact of dispersal programs on families is generally positive. Participants in a range of programs—from scattered site to mobility—report greater satisfaction with their new neighborhood environments. Most report fewer concerns about crime and improvements in their children’s experiences in school. Typically, too, objective indicators of neighborhood characteristics improve for families in a range of dispersal programs.

There are three caveats to these conclusions, however. First, although tenant-based assistance does improve the neighborhood environments of families compared to project-based forms of subsidized housing, when passively applied (with no mobility counseling or restrictions on neighborhood of destination) Section 8 does not result in greater geographic dispersion of the poor compared to the overall housing market. The mobility constraints that restrict the poor to certain neighborhoods are not overcome with the simple use of a Section 8 voucher.

Second, when families move to suburban locations or to nonconcentrated areas within a metropolitan region, they tend to experience a degree of social isolation and some isolation from services upon which they rely. Although most families in dispersal programs report higher neighborhood satisfaction, for example, there is a tendency for these same families to report less satisfaction with public transportation and the availability of medical services in their new communities. In addition, evidence suggests that there is little social interaction with new neighbors, and in some cases actual harassment. Although this effect may decrease over time, it does identify an area of difficulty for low-income families.

Finally, there is a difference between the experiences of families who voluntarily participate in dispersal programs and those who are involuntary participants. The distinction between voluntary and involuntary approaches is important for identifying participant motivation (or lack thereof) and the probable dispersal outcomes of different programs. This is, of course, not a surprising outcome, for among involuntary participants in most cases are families that did not want to move. The evidence on displaced households indicates that they typically do not move very far, often relocating to the nearest low-income neighborhood or elsewhere within the same neighborhood. This limits the deconcentrating impact of relocation, and does not change the households' neighborhood experiences greatly. These families are less likely to report changes or improvements in education and employment than are voluntary participants.

A major difference between voluntary and involuntary participants is that when families are forcibly displaced from their homes, they are given full choice in relocation. In contrast, most voluntary dispersal programs restrict the choice of participants to "approved" neighborhoods that are below some threshold in poverty or minority population, or both. As a result, the change in neighborhood characteristics—and in the perceptions of those neighborhoods by the families—is greater for voluntary participants. Does that mean that when given full choice (as the involuntarily displaced are), poor households prefer to remain in poorer neighborhoods? What are the true mobility preferences of the poor? Do the poor really wish to leave the central city and locate in suburban areas that have hitherto been unaffordable or unavailable to them?

The answers to these questions remain unclear, despite 30 years of research. There are two ways the question might be answered, both of them flawed. First, one could impute the preferences of subsidized households by looking at where they choose to relocate when given the choice and the means (a Section 8 voucher) to do so. Yet, as shown, Section 8 subsidies do not provide unlimited choice in the housing market. Voucher holders must find apartments at or below the fair market rent limit established by HUD, and they must find a landlord willing to rent to them. Section 8, by itself, does not eliminate discrimination in the market, it does not rearrange the spatial distribution of city services and social services upon which the poor rely, and it does not relocate the social support networks and kinship connections of lower income families. Thus, a mobility choice with a Section 8 voucher remains a highly constrained choice. Mobility programs, scattered-site programs, and fair-share efforts restrict choice even more by allowing moves only to approved areas or to the few units available through such programs. In the end, the actual behavior of poor households in mobility and dispersal programs says more about the kinds of neighborhoods they may wish to leave than about their destination preferences.

Beyond looking at the highly constrained choices made by poor families, there is a body of research that asks people about the types of neighborhoods they feel are ideal, or the neighborhoods in which they would consider relocating. This research is in many ways even

more flawed as a means of determining the true mobility preferences of the poor, and was therefore not summarized in this report. First, this research tends to focus on issues of race rather than poverty, and is therefore of somewhat limited relevance. Second, the data gathered in such studies reflect hypothetical cases, which are greatly simplified in comparison with real mobility choices. There are obvious and important differences between merely stating preferences for a hypothetical neighborhood (typically defined by researchers only by its demographic characteristics) and an actual decision to move. Actual mobility decisions incorporate issues of transportation, employment, education, proximity to friends and family, and opportunity, to name just a few. These complicating factors are simply not addressed in this research. Third, it is unclear in this research how respondents are thinking when they answer questions. When a majority of African Americans report, for example, that they would prefer a neighborhood that has a majority White population, are they reporting a preference for White (or more affluent) neighbors or a preference for the better schools, parks, and shopping, the reduced crime, or the appreciating property values that characterize the typical White neighborhood in comparison with African American neighborhoods?

In the end, one may question whether a “true” or “pure” mobility preference can be said to exist independent of the economic and social environments and the constraints to mobility that these impose on all households, especially poor households. It makes more sense to focus instead on the effects of policy interventions. Passive application of Section 8 subsidies makes little difference in the distribution of the poor, as does involuntary displacement and relocation. Only voluntary dispersal programs (most of which require a deconcentrating move) result in a greater geographic dispersion of the poor.

Impact on Receiving Communities

Much of the research on the impact of dispersal on receiving communities focuses on the issue of property values. Here the evidence is generally favorable related to dispersal programs. Scattered-site subsidized housing has been found to not have a detrimental impact on property values. A study of Section 8 showed that in strong neighborhoods, a scattering of tenant-based subsidies will not have a negative impact. In more troubled neighborhoods, a concentration of Section 8 can contribute to declining values, however.

The experience of the Gautreaux and MTO programs suggests that perceptions of residents are extremely important to the success of dispersal. Both programs have attempted to operate below the radar screen of potential opponents in receiving communities. This is possible for most dispersal programs. A study in Cleveland found that most neighbors were unaware of scattered-site housing in their neighborhoods. Even when neighbors are unaware of which housing in their neighborhood is assisted, they make guesses. One study indicated that neighbors simply assumed that the worst housing in their neighborhoods was Section 8, an assumption that was untrue in most cases (Urban Institute 1999). The political resistance of residents and officials in receiving communities remains perhaps the biggest obstacle to more widespread use of dispersal strategies.

Impact on Poverty Communities

There has not been much research to date on the impact of dispersal efforts on communities of concentrated poverty. Scattered-site and mobility programs are not seen by many of their proponents as programs designed to improve high-poverty neighborhoods. Instead, they are seen as “people” programs that are designed to improve the lives of families, one at a time. There should be an emerging body of research in the next few years that examines the impacts of various HOPE VI redevelopment projects across the country.

What can be said, at this point, is that HOPE VI and the legal settlements entered into by HUD during the past two decades have focused so far on the most negatively impacted and problematic public housing projects. The program has targeted the worst concentrations of poverty in publicly subsidized housing, and therefore should produce beneficial effects.

Despite this, however, political opposition has arisen not only within receiving communities, but also within the neighborhoods in which demolition and displacement have occurred. Opponents criticize the forced displacement of families and the breakup of social networks. Others criticize the integrationist orientation of the programs. For advocates of dispersal, of course, this represents a second political front on which they must fight for acceptance of deconcentration strategies.

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HOLLMAN v. CISNEROS

Deconcentrating Poverty in Minneapolis

**Report No. 2:
Planning for
North Side Redevelopment**

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Center for Urban and Regional Affairs
University of Minnesota



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INTRODUCTION

The consent decree in *Hollman v. Cisneros*, signed in 1995, committed the Minneapolis Public Housing Authority, the U.S. Department of Housing and Urban Development, and their co-defendants to a series of dramatic policy changes. First, four north side public housing projects and dozens of scattered-site public housing units would be reviewed for possible demolition or disposition. Second, the defendants would create up to 770 units of replacement public housing in nonimpacted areas of the city and suburbs. Third, the displaced residents of the demolished scattered-site and north side public housing were to be relocated with public assistance. Fourth, the 73-acre north side site was to be redeveloped. Fifth, hundreds of tenant-based housing subsidies would be made available to Minneapolis public housing residents to enable them to move out of areas of race and poverty concentration. Sixth, changes in the operation of the Minneapolis Section 8 program would occur to make it easier for participants to exercise geographic choice. Finally, an affordable housing clearinghouse would be created to provide low-income families a centralized source of information about housing options in the metropolitan area.

The Center for Urban and Regional Affairs (CURA) at the University of Minnesota was contracted by the Family Housing Fund of Minneapolis–St. Paul and by the State of Minnesota in 1998 to conduct an evaluation of the implementation of the consent decree. This is the second in a series of eight reports generated by the consent decree.

This report is divided into three parts. The first section provides background on the consent decree in *Hollman v. Cisneros*—which calls for the demolition of more than 700 housing project units on the north side of Minneapolis and comprehensive redevelopment of the 73-acre site—as well as a brief context for the lawsuit and settlement. The second section describes the focus group planning process that was created pursuant to the consent decree to deliberate and make recommendations regarding redevelopment of the north side site. This section also discusses the *Hollman* defendants' translation of these recommendations into an action plan for the north side site, and the formation of an implementation committee to select developers and implement the redevelopment plan. The third section of the report describes and analyzes the considerable political opposition that emerged in response to both the redevelopment process, and the city's affordable housing crisis.

PART ONE: BACKGROUND

ANNOUNCEMENT OF DECREE SETTLEMENT

What had been initiated as a discrimination lawsuit on behalf of public housing residents whose housing choices were restricted by the concentration of assisted units on the near north side became, during the process of settlement negotiations, a lawsuit aimed at deconcentrating poverty, facilitating the greater geographic spread of assisted units and assisted families, and reducing the number of public housing units on the north side site (Furst 1996b). As the lead attorney for the plaintiffs said, “I don’t think any of us had heard the term ‘concentration of poverty’” when the suit was first filed (Furst 1996b, 3b). But by the time the settlement was reached, deconcentrating poverty was its main objective.

The settlement negotiation process intersected with three important policy trends that were occurring at the time. The first was the efforts by Minnesota state representative Myron Orfield, a Democrat representing a portion of the south side of Minneapolis, who was leading a local effort to initiate a regional response to the concentration of poverty in the central cities. Orfield, whose efforts would soon attract national attention, contended that past public policies had resulted in a concentration of affordable housing in central-city neighborhoods, driving up social service costs in those areas. In contrast, newly developing suburban areas were spared those costs, and were subsidized by inner-city districts as a result. Orfield’s own legislative initiatives called for a regional housing program to spread the availability of low-cost housing throughout the region. Consulting with the lead attorneys for the plaintiffs, Orfield encouraged the settlement negotiations to include the Metropolitan Council (the area’s regional governmental body, which implements an affordable housing program in suburban areas), and to push for a regional remedy to the issue of concentrated public housing (Thompson 1996). This, in fact, was done. The Met Council was added to the list of defendants—which included MPHA, the City of Minneapolis, and the U.S. Department of Housing and Urban Development (HUD)—and the scope of the remedy was greatly expanded from merely a greater geographic spread of assisted units within Minneapolis to a spread of units and families throughout the metropolitan area.

At the same time, HUD, under then-Secretary Henry Cisneros’ lead (during the first Clinton administration), was beginning to vigorously pursue a strategy of deconcentrating public housing. Cisneros readily admitted that past public housing policies had unfairly and inappropriately concentrated public housing in low-income, predominantly high-minority neighborhoods within central cities. In fact, HUD was voluntarily settling a number of lawsuits across the country with plaintiffs making similar allegations (Hartman 1995). This concentration of public housing, as the argument goes, contributed significantly to the concentration of poverty in American cities. Prominent social scientists since the mid-1980s had been documenting the adverse community and individual-level impacts of concentrated poverty, and Cisneros himself came to call concentrated poverty the greatest challenge for the nation’s cities (Cisneros 1995). By the early to mid-1990s, HUD was using the HOPE VI program to demolish “distressed” high-rise projects and other older public housing developments to make way for more mixed-income, mixed-use communities. Public housing residents, in the typical scenario, could choose between living in the new or rehabilitated public housing units on-site, or, because the number of these units was almost always less than the number that had previously existed at the site, choose to receive a Section 8 certificate or voucher to subsidize their housing on the private market. The use of the Section 8 subsidies was seen as a way of providing these residents with greater choice in their housing, of facilitating the dispersion of assisted families, and of allowing them entry into better, more stable neighborhoods (see *Report No. 1: Policy Context and Previous Research on Housing Dispersal*).

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Third, events within the city of Minneapolis also contributed to the *Hollman* agreement in important ways. The city was in the middle of an unprecedented increase in violent crime, much of it attributed to illicit drug activity. Fear of crime in the city and indeed in the entire region was on a sharp increase (see Goetz 1996). Local media outlets followed the crime beat closely, and local governments and community organizations focused on community-based responses. The Near North neighborhood and the public housing units on the project site were seen as two centers of violent crime activity in the city. Local officials were eager to pursue some remedy for reducing the level of danger in that community.

In addition, Minneapolis mayor Sharon Sayles Belton was beginning her efforts to end the city's long-standing school desegregation program and convert the city's education system back to neighborhood schools. The mayor saw this change in public school policy as a way of stemming middle-class flight from the city. But to reassure her core constituency, the African-American community, that neighborhood schools did not mean a return to unconscionable levels of school segregation, steps had to be taken to reduce the levels of residential segregation in the city. The consent decree was movement toward this end, as was the announcement of her "Housing Principles" one month after the settlement was entered.

The *Hollman* settlement thus fit seamlessly into a number of policy trends. Given these trends, many of the local officials who were ostensibly defendants in the process—from the city council to MPHA and HUD, by the time of the agreement—shared with the plaintiffs the central goals of the agreement: reducing the concentration of public housing units on-site, and dispersing the very low-income families throughout the local housing market. An element of this consensus was a fundamental agreement that the reuse of the site should include a significantly reduced concentration of public housing units.

In January 1995, the agreement between the parties was announced, and HUD stated that it would allocate \$100 million toward the settlement of the case (Diaz 1995). All that was left was ratification by all of the parties, which was achieved by April. The agreement covered four separate public housing projects: Sumner Field Townhomes, Olson Townhomes, Glenwood Townhomes, and Lyndale Townhomes. In all, these projects and the public land on which they stood encompassed 73 acres, located just one mile from downtown Minneapolis.

DECONCENTRATION OF POVERTY AS A JUSTIFICATION

The deconcentration of poverty on the north side was mentioned prominently by the parties as a justification for the agreement. Mayor Sharon Sayles Belton called the agreement "a significant event in the life of our community. It represents one giant step toward dissolving the concentrations of poverty in Minneapolis, and addressing the related urban problems" (Diaz 1995, 1A). She went on to describe the concentration of poverty theory:

We know that poverty by itself doesn't cause urban problems. It's the concentration . . . that eventually strangles those neighborhoods economically, making it impossible for residents to have access to jobs, good schools, health care, transportation. These are living conditions that can, and too often do, foster hopelessness, despair, and antisocial behavior. (Diaz 1995, 1A)

There was little question that the 73-acre site was the location of the city's greatest concentration of poverty. Median household income on-site was one-third that of the city as a whole. More than 70% of all households were below the poverty level (the typical threshold used for the identification of areas of concentrated poverty is 40%), and the percentage of the population receiving public assistance was six times that of the city as a whole. In addition, the residents of the project site were

overwhelmingly (94%) non-White in a city that was 78% European American at the time (Washington and Drew 1995). Nor was there much of an argument about the fact that the city over time had concentrated its public housing in that area, and in the near north side more generally. The site was home to four of the five family public housing townhome projects that existed in the city. The project area had a total of more than 900 units of public housing (including 188 units not included in the lawsuit), 25% of the total non-scattered-site units that MPHA owned.

In addition, 1990 census data showed that concentration of poverty among African Americans was greater in the Minneapolis–St. Paul region than in most other regions in the United States. Minorities in the Twin Cities are more likely to live in poverty than minorities in any other major metropolitan area in the country (Draper 1993). The percentage of African Americans living in high-poverty areas increased from 27 to 47% between 1980 and 1990 (Jargowsky 1996). At the time the lawsuit was filed, 58% of all scattered-site units were located in predominantly minority census tracts despite the fact that the city was 78% White (Thompson 1996). The pattern of public housing siting had concentrated public housing developments on the city’s near north side and along a corridor either side of Interstate 35W on the city’s south side. These were the same neighborhoods that had the highest concentration of Section 8 participants as well. “These poor neighborhoods . . . comprised only 19.9 percent of the city’s total population, while 50.9 percent of all certificate and voucher holders resided there. These areas had a minority population of 56.7 percent compared to the city-wide minority population of 21.6 percent” (Thompson 1996, 244). Thus, the evidence was clear on a number of dimensions that serious problems of residential segregation characterized the public housing program in Minneapolis, and affected minority populations in particular.

CONDITIONS ON THE NORTH SIDE

An examination of the units on the north side site revealed an aging project suffering from physical decline, neglect, and a host of design problems. In 1995, few were ready to contest such a characterization of the north side public housing units. The *Minneapolis Star Tribune*, the city’s leading daily newspaper, ran stories of mice and cockroaches overwhelming some residents. As one of the plaintiffs said in 1995, cockroaches were “inside my washer, they’re in my radio, they’re in my telephone, and when I turn on my microwave, they come running out. The roaches even used to get up in the smoke detector and set the thing off” (Morrison 1995, 1A).

The projects had been built on a flood plain through which Bassett Creek had once run. When the projects were built, the creek was diverted through an underground storm sewer to connect with the nearby Mississippi River. The unstable soil of the former creek bed had led, over the decades, to the buildings of the Sumner Field project shifting and cracking until, in some units, one could allegedly see outside through the cracks. The nature of the soils would later play a prominent role in the decision to demolish all of the public housing units on the site (the consent decree explicitly called for the demolition of only the Sumner Field project).

The design of the buildings and the site also came in for criticism. According to Mack (1995), they had front doors indistinguishable from back doors.

Garbage carts are as likely to stand by the one that looks most like the front door. Doors open directly to the outside, without a vestibule or any way to personalize the entry. Most of the original canopies have rotted away. Yards belong to everybody and, therefore, no one. And the 5.2 miles of sidewalks that crisscross the six square block project make all spaces open to strangers. (Mack 1995, 1B)

The site included a three-square-block area (a so-called superblock) that interrupted the street grid and isolated the projects from the residential neighborhood to its west. All of these features had, by the 1990s, come to be seen as destructive of good community life, and obstacles to a safe residential experience. The HUD HOPE VI program officially adopted the view that much public housing

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that had been built between 1930 and 1980 in the modernist tradition significantly and negatively affected the quality of life of residents. In place of these modernist characteristics, the federal government had officially adopted new urbanist design principles, calling for the return of street grids and personalized spaces, and the reintegration of public housing with its surrounding communities.

THE SITE

The *Hollman* site area encompasses 73 acres of publicly owned land located 1 mile northwest of the central business district (downtown core) of Minneapolis (see Figure 1). The area is directly adjacent to Interstate 94 and bisected by Olson Memorial Highway (State Highway 55). Thus, it is favorably positioned relative to the city's core and is well served by transportation routes. At the same time, however, I-94, I-394, and the railroad tracks to the south of the site serve as important physical barriers between the near north side and downtown (see Figure 2). The site is ringed on the north and south by areas zoned for manufacturing uses, including the far southern portion of the site along Glenwood Avenue, and two areas in the northwestern portion of the site along Plymouth and Humboldt Avenues. The Glenwood corridor includes light manufacturing and some existing commercial properties. There are smaller commercial parcels on the southern face of Olson Highway and on the corner of Humboldt and Glenwood. In 1995, the site was virtually surrounded on all sides by major transportation routes or by industrial land uses. In addition, there are several other subsidized housing developments adjacent to the site. The Bryant Highrises (for seniors) were located immediately east of the Sumner Field and Olson projects, while several privately owned but publicly subsidized buildings are located northwest of the site. Between the public housing and the traditional

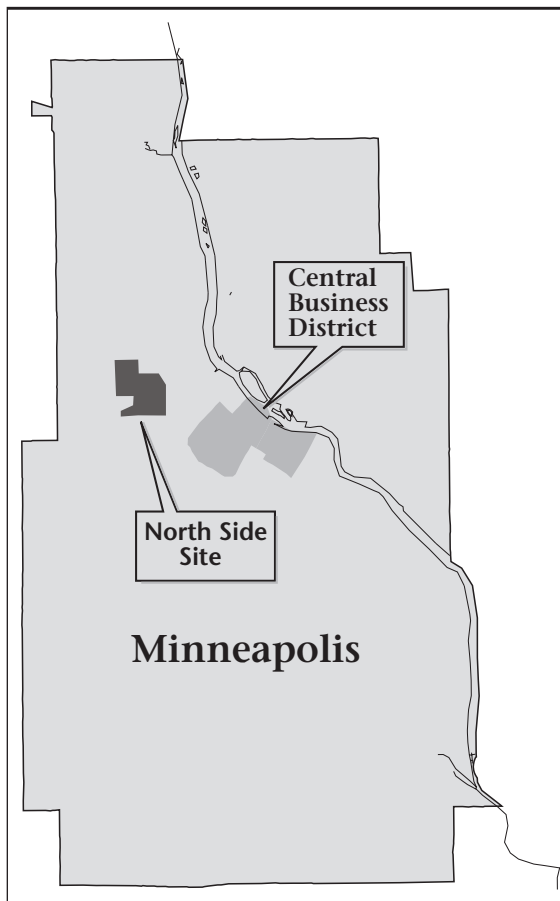


Figure 1. Location of the North Side Site in Minneapolis

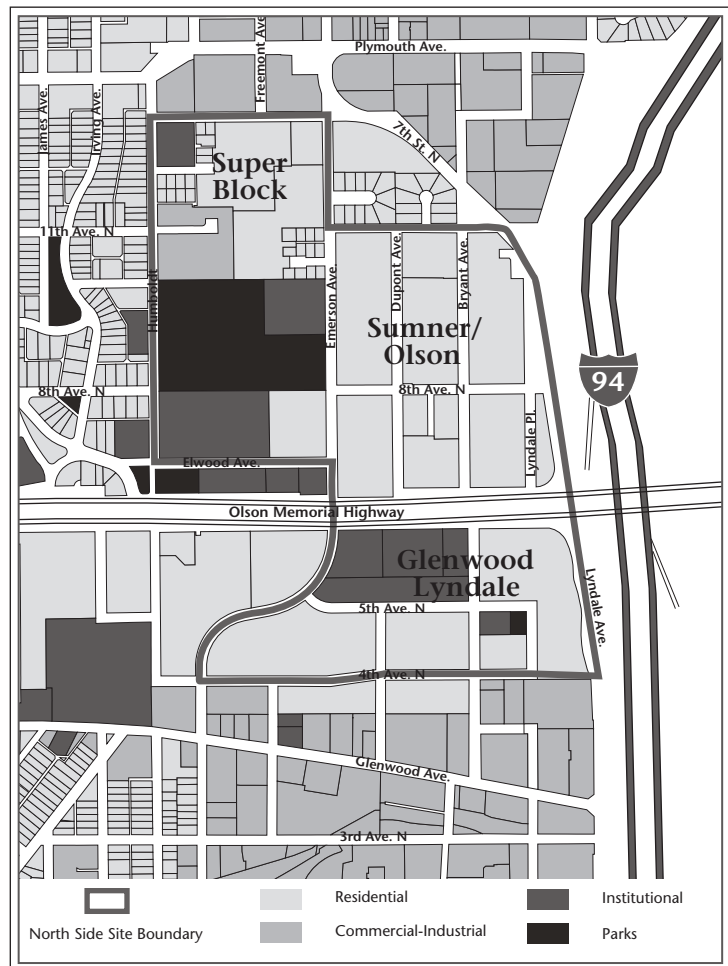


Figure 2. The *Hollman* Site

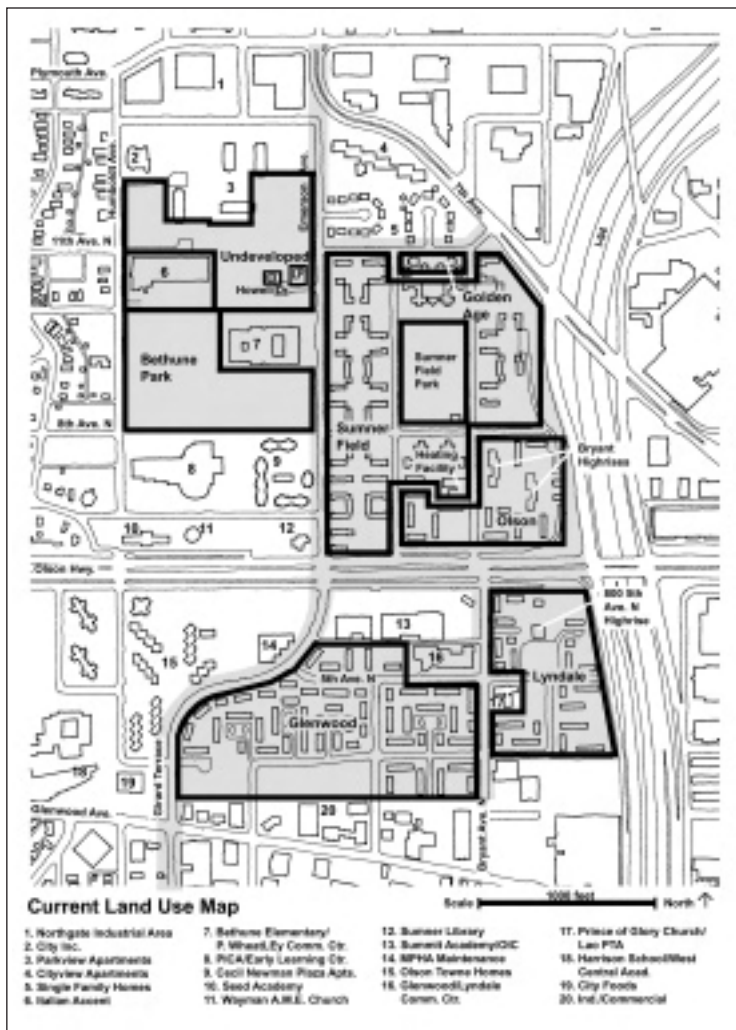


Figure 3. Land Uses Surrounding the *Hollman* Site, 1995

residential neighborhood to the west is a superblock of low-density commercial and industrial uses. Figure 3 shows the land uses on the site as of 1995.

The site was the location of five separate public housing projects: Sumner Field Townhomes, Olson Townhomes, Glenwood Townhomes, Lyndale Townhomes, and the Bryant Highrises. Only the first four of these developments were targeted by the consent decree. The Bryant Highrises were not included in the suit because they housed seniors. Attorneys for the plaintiffs felt that the seniors would likely prefer to remain in their homes rather than face displacement and disruption. Further, it was felt that the mobility remedies called for in the consent decree would benefit families more than seniors (Thompson 1996).

According to Thompson (1996), the Legal Aid Society of Minneapolis had been receiving complaints about the living conditions in the Sumner Field and other public housing projects on the city's north side. Most public housing applicants, regardless of race, rejected offers from the MPHA of those units.

The Sumner Field area had already endured one round of clearance, redevelopment, and resettlement.

In 1939, when the first public housing project was developed, the area was characterized by a heavy concentration of dilapidated housing structures. According to Chapin (1938), the site had a high incidence of mortgage foreclosures, and many of the buildings did not have central heating, adequate toilet facilities, baths, gas, or electricity. The area was also a center for crime, juvenile delinquency, and “next to the highest rates for pulmonary tuberculosis and infant mortality” (745).

The area was inhabited by immigrants and larger families. The project site was just east of the center of the Jewish population in Minneapolis. Of the families who were forced to move from the site in 1939, 84% relocated within three-quarters of a mile from their previous home (Chapin 1938). The conditions in their new housing did not change dramatically, although the average family did experience an increase in rents (Chapin 1938).

After the public housing was built, the U.S. Housing Authority (USHA) deliberately segregated Black families by restricting them to the east half of the project, while White families lived in the west half. For the next two decades, city council approval of new public housing sites ensured that new projects built would reinforce existing patterns of segregation. Even when the city initiated its scattered-site program, the city council limited it to “the city’s three poorest and most highly minority concentrated neighborhoods. In 1969, Mayor [Arthur] Naftalin vetoed the council’s limitations, referring to them as ‘discriminatory and unwholesome’” (Thompson 1996, 241). Similar siting

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restrictions were put upon other HUD-subsidized non-public housing, until a 1984 citywide task force criticized the process, noting that “concentrating and isolating low income families headed primarily by unemployed single parents intensified social problems” (Thompson 1996, 243). The pattern that was emerging in the central city was being repeated on a larger scale at the regional level. In the early 1970s, the Metropolitan Council was nationally acclaimed for its efforts to disperse subsidized housing throughout the region (Thompson 1996; Johnson 1998). By the early 1980s, however, despite its success, the council ended its effort.

Sumner Field Project

The Sumner Field project was the first public housing project built in the state of Minnesota. Constructed in 1938 as part of the first wave of public housing developments, Sumner Field was also the largest of the four housing projects (350 units) subject to the decree. It was built in a series of two-story buildings, with more than 30 buildings in all. The project was built in an area that had been the location of Bassett Creek. Because the creek regularly flooded, various efforts were made to control it during the early part of the 20th century. Ultimately, the city decided to convert the creek to a closed sewer and the creek was covered in 1925. The Sumner Field project was envisioned as an opportunity to revitalize the deteriorating conditions of the neighborhood surrounding the creek, utilize the lands under which the creek flowed, and create jobs during the Great Depression of the 1930s. Thus, the project was approved by the federal Public Works Administration, or PWA (the predecessor to the U.S. Public Housing Administration), and the project was begun in 1938.

Despite the size of the project, it did not reverse the declining fortunes of the near north side. Housing and commercial land uses continued to decay. The site itself became increasingly isolated over time as retail and residential areas gradually gave way to highways and industrial uses. In addition, the soils underneath the project remained unstable. Over time as the soils shifted, cracks began to appear in the walls and ceilings of units in the project. That Sumner Field did not revitalize the area is borne out by the fact that 20 years later the city embarked on its largest slum clearance project on a site adjacent to Sumner Field, an urban renewal project that produced the Glenwood, Lyndale, and Olson public housing projects (Martin and Goddard 1989).

Glenwood and Lyndale Projects

The Glenwood project, 220 units in row houses, was built just south of Olson Memorial Highway as part of a large urban renewal project in 1960. The Lyndale project was also completed in 1960 and was an 86-unit row-house development built adjacent to Glenwood. The area was, at that time, characterized by dilapidated housing structures, “adverse land use mixtures, a badly designed and inefficient traffic system, and environmental deterioration resulting from the poor drainage around Bassett’s Creek” (Martin and Goddard 1989, 34). This was an area that also was experiencing racial transition during the 1950s, from a predominantly White and Jewish population to a growing African American population. The entire Glenwood redevelopment area encompassed 180 acres, an area much larger than the site of the two public housing projects that were erected there in 1959 and 1960.

Olson Townhomes Project

The Olson public housing project was built in 1960 on land adjacent to and southwest of the Sumner Field development, sandwiched between Sumner Field and Olson Memorial Highway. The stucco-covered row-house development was the smallest of the four north side developments (66 units). This project, too, was part of the systematic effort to redevelop the near north area along Olson Highway and Glenwood Avenue.

With the addition of the Bryant Highrises in 1960, this 73-acre tract of land on either side of Olson Highway in the Near North neighborhood of Minneapolis was home to over 900 units of public housing.

SETTLEMENT DETAILS

The settlement reached by the parties to the *Hollman* lawsuit is the framework for an aggressive plan of deconcentration and redevelopment of the site. The decree calls for the demolition of the 350 Sumner Field Townhomes. These units were designated for demolition because of the structural problems resulting from the unstable soils on which they were built. The decree also calls for the disposition (demolition or sale) of the rest of the public housing on-site. Whether the other public housing units would be demolished was to be agreed upon later by the parties to the settlement. The MPHA also agreed to evaluate for disposition 129 scattered-site units in minority-concentrated areas to enhance the deconcentrating impacts of the agreement. The families displaced from the public housing would be provided relocation assistance to cover moving expenses and counseling in finding a new home (see *Report No. 5: Relocation of Residents from North Side Public Housing*).

The details of the redevelopment of the 73-acre site would be agreed upon by the parties to the lawsuit at a later time. To provide a basis for this later decision, the agreement called for the convening of focus groups of nearby residents, businesses, nonprofit agencies, members of the plaintiff class, and others affected by the redevelopment to give recommendations to the parties.

The decree also called for the development of up to 770 replacement units of public housing to take the place of those demolished or disposed of in other ways on the north side. Some of those units were to be replaced on-site, others would go elsewhere in the city of Minneapolis. The remainder would be built in suburban neighborhoods throughout the metropolitan area (see *Report No. 7: Mobility Certificates*). As a measure of the anticipated difficulty in getting suburban areas to cooperate with this effort (as nonparties to the lawsuit they were not compelled to participate in the remedy), an incentive was created; those suburban authorities that helped to build *Hollman* units could set aside 30% for occupancy by families on their own waiting lists.

VISION

When the settlement announcement was made, local officials hailed it as a wonderful opportunity to address significant problems in the community. Jackie Cherryhomes, city council president and the council member for the north side area, claimed that the settlement was “the most important thing that’s happened in the Fifth Ward and north Minneapolis in the last 30 years. This represents a real opportunity to rebuild north Minneapolis” (Diaz 1995, 1A). The MPHA concurred: “There’s the potential to dramatically change a part of the city,” said Deputy Director Tom Hoch when the settlement was announced (Washington and Drew 1995, 1A).

Although the decree called for a focus group process to provide recommendations for the redevelopment of the site, many had their own ideas about what a cleaned-up version of the 73 acres might look like. There was talk from the outset of resurfacing Bassett Creek and developing a creek/park amenity on-site. The *Minneapolis Star Tribune* prominently suggested this alternative, citing a just-released study of property values in the city that showed a significant spike in values for homes located near the city’s chain of lakes, which rings the southwestern part of Minneapolis (Mack 1995). The larger hope for the area was that it would become another link in the chain of greenway paths stretching from the western suburbs, across the entire city of Minneapolis, well into St. Paul (Brandt 1995). The *Minneapolis Star Tribune* called it a “once-in-a-lifetime chance to create the kind of amenities on Minneapolis’ north side that have made the southwest side so desirable” (Mack 1995, 1B).

The potential for new housing and the attractiveness of the site was mentioned by others. Matthew Ramadan, then-director of the Northside Residents Redevelopment Council (NRRC), noted the “beautiful sunset views of the downtown skyline” just a two- or three-minute drive away (Mack 1995, 1B). This was a theme to be taken up later by opponents of the redevelopment who felt the attractiveness of the site was such that gentrification was bound to occur, and indeed, that gentrification was planned for the site. Yet, the general response in 1995 was that the settlement offered a

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great hope to simultaneously deal with the city's worst concentration of poverty and social problems, while adding a new and welcomed amenity to the city.

PART TWO: THE PLANNING PROCESS

Paragraph 27 of the consent decree requires “a study process to develop a comprehensive plan for reuse of the Sumner Field site and any additional land vacated by second phase demolition” (U.S. District Court in *Hollman v. Cisneros* 1995). Plaintiffs and defendants agreed that the process would proceed through the ongoing meetings of two focus groups, one for the Sumner-Olson site north of Olson Memorial Highway, and another for the Glenwood-Lyndale site south of the highway. Once plaintiffs and defendants reached an agreement concerning the form of the planning process, both parties negotiated the planning outline to detail how the focus groups would operate, determine the organizations that would have representation on either of the focus groups, and select facilitators for each focus group. Focus group membership consisted of representatives of public housing residents, community organizations, low-income residents from developments adjoining the sites, representatives from surrounding neighborhoods, and *Hollman* plaintiffs represented by the National Association for the Advancement of Colored People (NAACP) and the Legal Aid Society of Minneapolis.

FOCUS GROUP MEMBERSHIP AND PARTICIPATION

The Phase I Focus Group (so-named because the demolition of Sumner Field, agreed to in the consent decree, was regarded as the first phase in the redevelopment of the north side site) had 15 members representing several groups and agencies, including four residents from the Sumner Field project, three residents from the surrounding area, two representatives of north side service agencies, and one representative each from NAACP, Legal Aid, the Northside Residents Redevelopment Council (NRRC), the Near North neighborhood, the Sumner-Glenwood Neighborhood Revitalization Program (NRP) committee, and neighborhood businesses.

The Phase II Focus Group had 17 members, including four residents of the Glenwood and Lyndale projects, four residents from the surrounding area, two residents from the Bryant Highrises, two representatives of north side social service agencies, and one representative each from the nearby Lyndale Highrise,¹ the Olson Townhomes, the Harrison neighborhood, the Sumner-Glenwood NRP committee, Legal Aid, NAACP, and neighborhood businesses.

The Sumner Field focus group began meeting on February 26, 1996, while the Glenwood, Lyndale, and Olson focus group began meeting on March 4, 1996. Later in June, the focus groups began meeting jointly.

The focus groups participated in a visioning process to develop a set of recommendations for the reuse of the site plan areas. This process had two purposes: (1) to help the focus groups think about the long-term community development issues, and (2) to generate a list of ideas and priorities that the Design Center for the American Urban Landscape (at the University of Minnesota) could use to develop a range of land-use scenarios. Participants were asked to imagine a new neighborhood on the public housing sites and describe its features, regardless of any potential constraints. Their ideas were recorded and organized under four land-use categories: community services/education, housing, industrial/commercial, and parks/environment.

Considerable efforts were made to facilitate the participation of area residents in the planning process. Two community meetings—one of which was specifically geared toward the Southeast Asian

¹ Not to be confused with the Lyndale Townhomes, the Lyndale Highrise building is located just northeast of the project site.

community—were held, as well as meetings with individual organizations, to highlight the background of the decree and to inform residents of the planning process.

To enable the maximum number of representatives to attend, meetings were scheduled at convenient times within the respective neighborhoods. Staff provided food, childcare, and stipends, as well as simultaneous translation services to focus group members. Focus group organizers publicized the meetings in community papers, north side newspapers, and through flyers. All of the focus group meetings were open to the public. Finally, the groups held three community “speak ups” to allow the public to comment on their work.

Despite efforts to include all of the relevant parties, some participants suggested that residents from nearby neighborhoods such as Willard-Hay and Near North should have been included in the focus group process. Some of these neighborhood representatives and property owners were upset that they did not have a voice in the redevelopment planning. As it turned out, these groups did influence the process at a later stage, convincing the city council to amend the mix of housing options included in the plan.

Most participants agreed that attendance at the focus groups was very good. Language barriers, however, may have played a part in the lack of Southeast Asian participation in the process. In the beginning of the process there had been no provision for Hmong and Laotian translators. After the plaintiffs complained, the MPHA did provide for translation services. But according to one participant, “sometimes the interpreters would not show up, sometimes they would show up and did not interpret very well—or never said anything.” Most observers interviewed agreed that the Southeast Asian community was not very vocal during the focus group meetings. On the other hand, public housing residents, according to one participant, “were very, very active.” Particularly influential in the process was the president of the Sumner Olson Residents Council, a woman who had been a presence in the community for many years. “When she spoke about an issue people tended to listen,” one informant said. “They paid close attention to what she said because she had such a history there.”

THE ROLE OF THE PROFESSIONAL STAFF

Staffing for the focus groups was provided by the MPHA, the Design Center, the Minneapolis Planning Department, the Minneapolis Community Development Agency (MCDA), the Minneapolis Neighborhood Revitalization Program (NRP), and the Legal Aid Society of Minneapolis. The focus group staff met weekly to review the progress of the groups, and to map out possible agendas and strategies for the continued work of the groups.

Initially, focus group staff were heavily involved with establishing the agenda for the group meetings. At the outset of the process, staff presented a history and background to the lawsuit. According to a city official, the initial goal of the staff was to have the focus groups “as structured as possible . . . to always be introducing topics to the group for purposes of discussion, and allowing them to comment, discuss, and then make recommendations.” For example, staff members arranged speakers to provide focus group members with more contextual information. John Powell, director of the Institute on Race and Poverty at the University of Minnesota Law School, spoke about the dire community impacts of highly concentrated poverty at an early joint meeting of the focus groups in March. This directive orientation on the part of the staff gave way to a more responsive role over time. The same city official indicated that “once people got more information they were less likely to be led in that sort of way . . . They were more likely to suggest topics on their own that they wanted to talk about, which was fine because what that was doing was creating more ownership over the product that was coming out.”

FACTIONS AND FAULTLINES

Community-based planning processes are by their nature often contentious proceedings. As one focus group participant said, “It’s hard to achieve consensus with a group that big with all sorts of divergent viewpoints.” Faultlines developed on a number of issues. There was a significant change in the ethnic makeup of project-site residents between the time the lawsuit was filed in 1992 and the time of the settlement in 1995; a predominantly African American population in Sumner Field and Olson gave way to a largely Southeast Asian immigrant population. Thus, in the words of one participant, “The tenants who won the lawsuit are really no longer here in large part, and another ethnic group is going to benefit from the results of the lawsuit rather than the people on whose behalf it was originally brought out.” This ethnic turnover resulted in problems during the relocation stage, and it also created some tension during the focus group process.

In March, the groups heard from John Zeisel, under contract with the Design Center, who had completed a survey of residents of the north side site. Zeisel’s data, collected in the fall of 1995, showed that a majority of respondents (52%) wanted to move away from the site, while 48% indicated they would stay if they could. Most of the respondents wanted to remain in public housing of some sort; this tendency was most pronounced among Southeast Asian respondents. Almost half indicated they would stay in their current unit if it were renovated. There was some division in respondents’ evaluations of the north side housing based on ethnicity. African American respondents were more critical of the housing than were the Southeast Asian respondents. Members of the focus group debated the validity of these findings, suggesting that questionnaire responses can vary depending on the alternatives provided to respondents. Nevertheless, the Zeisel (1997) report provided some ammunition to those members of the focus group, and later to opponents of the process outside the focus group, who were beginning to question the direction of the redevelopment.

There were two major issues on which there was significant disagreement among focus group members. The first was whether or not the Glenwood and Lyndale projects should be rehabilitated or demolished. The second issue was the income mix in the new housing that was to be built on-site.

Demolition

The demolition of the Sumner Field project was agreed upon as part of the consent decree. As for the rest of the public housing in the North Side Action Plan area, it was up to the focus group to provide recommendations as to its disposition. Thus, the possibility existed that the buildings could be saved, rehabilitated, or used for other purposes.

The greatest resistance to demolition was centered on the Glenwood and Lyndale projects to the south of Olson Memorial Highway. Some focus group members who were residents of the projects “were skeptical about the need to demolish all the housing projects” there, according to one participant. On the other hand, a number of public housing residents were quite vocal in their support of demolition as well. According to one participant, however, “Once people learned that rehab or demo, either way people would have to be relocated, I think it helped resolve the problem” in favor of demolition.

The condition of the soil in the action plan area was also one of the justifications for the decision to demolish the public housing on both sides of Olson Memorial Highway. An early estimate by MPHA indicated that the cost to correct just the structural problems with the units at Sumner-Olson would be \$30,000 to \$100,000 per unit. Such a high cost, argued the housing authority, made rehabilitation impractical.

Housing Mix

The configuration of the new housing on-site was a major point of contention. One decision that was required was a determination of how much public housing should be put back onto the site. Most of the participants agreed that some income mix was necessary to avoid a reconcentration of very low

income residents. Resident participants wanted to ensure that there was enough low-income housing on-site to allow them to move back into the neighborhood. Another concern of some participants was that the entire site not be gentrified, but remain hospitable to people of lower income, accompanied by better housing and employment opportunities.

On the other hand, there were participants who felt that this was an opportunity to introduce higher incomes into the neighborhood, and that the development of new public housing, without a significant income mix, would defeat the purpose of the settlement and simply reconcentrate the poor.

The Glenwood, Lyndale, and Olson (Phase II) focus group picked up the issue of the on-site housing in June. Having been provided with data on the soils and the cost of rehabilitation versus new construction, the group decided in favor of new housing. At the same time, however, on June 10, the group expressed general agreement that as much public housing as possible should be built on the site. The minutes to the meeting indicate that there was “not a lot of support for a mixed income [housing] scenario on site” (MPHA 1996, 6). In fact, the group formally voted 12 to 1 in favor of a motion calling for the “maximum number of units of public housing” on-site.

Yet, the issue of mixed-income versus maximum public housing did not disappear after this vote. In future meetings, when the focus groups were meeting jointly, the original motion was brought up several times. Three weeks after the vote on the housing mix, the focus group staff brought in James Head of the National Community Development Law Center to speak. He spoke to the group on July 1 about the necessity for a mixed-income approach to make the community revitalization work. On July 20, the issue was raised again when one member suggested that the maximum public housing motion would not be agreed to by the city council, which had to sign off on the final redevelopment plan. Two weeks after that, MPHA staff provided to the focus group an information sheet on mixed-income developments around the country. Finally, on August 19, the group was told by its facilitator that their earlier decision to place the maximum public housing on-site was inconsistent with a mixed-income approach, and that they would have to choose between the two.

The discussion on August 19th quickly turned to how much mixed-income housing was appropriate. James Head's expert testimony and the data provided by MPHA were used to focus this discussion. The focus group passed a motion recommending 25% public housing, 25% low-income housing, and 50% market-rate housing. This motion indicates considerable movement away from the position the group had taken two months earlier.

This interesting progression of events suggests that the focus group staff felt that, at the very least, the group had not deliberated enough on the issue and had made a premature decision in June. It could also indicate that the focus group staff had been unhappy with the initial vote, and had therefore invited Head to speak and had provided the information on other mixed-income projects in an attempt to get the group to move from its original position. A close reading of the minutes of the focus group proceedings does not reveal another occurrence of an issue that had been voted on and decided by the group being reintroduced and reconsidered on multiple occasions.

FOCUS GROUP RECOMMENDATIONS

The culmination of the focus group process was the creation of a common vision for the community. On July 20, 1996, the focus groups held an all-day design retreat to develop recommendations for the reuse of the land vacated by public housing. The Design Center presented three development scenarios, incorporating the four land-use categories from the common vision statement. The focus groups developed hybrid scenarios and a series of planning recommendations. Of the three scenarios presented by the Design Center, the one receiving the most favorable response consisted of a series of wetlands in the former Bassett Creek basin, surrounded by a mix of housing, commercial, institutional, and industrial uses.

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In their vision, the focus groups stressed the need to create a new community of diverse, mixed incomes, anchored by attractive natural amenities; ethnic and cultural attractions; and educational, job training, and social service institutions. Approximately 28 acres would be available for housing, resulting in between 150 and 375 units at various density levels. Open space would comprise approximately 40 acres on the current Sumner Field and Glenwood sites. Institutional use would be allocated to approximately 16 acres of development area.

On November 2, 1996, the focus groups held a half-day retreat to finalize their recommendations. Once adopted, the recommendations were presented to area organizations for their review and comment. The key land-use recommendations as defined within the Focus Groups Report included:

- Demolish existing family public housing and construct new, mixed-income housing (including some public housing) on the better soils of the area. Use the vacant land on the adjacent superblock for new housing.
- Create open space on the worst soils of the site, with natural amenities attractive to residents, businesses, and other institutions adjoining these areas.
- Pursue locating Metropolitan State University in the Glenwood-Lyndale area because it would provide both educational and employment opportunities, and add to neighborhood stability.
- Create a commercial/retail center, including an ethnic cultural market on Olson Memorial Highway and Interstate 94.
- Build a pedestrian bridge across Olson Memorial Highway and encourage development of a corridor linking the north and south neighborhoods.

In addition, the focus groups developed a number of recommendations concerning new services and land uses for the area. As it turned out, the final set of focus group recommendations was significantly different than at least one scenario that had originally been applied to the site. One city official interviewed stated, “The assumed redevelopment objective for the whole area once public housing was torn down was to [develop] a bunch of light industrial buildings.” Jackie Cherryhomes, council member for the north side, was supportive of this original conception of the redevelopment. The official continued, “What happened is we really changed, or shifted, the paradigm of what city hall had on its agenda . . . And Jackie bought into it.”

THE NORTH SIDE ACTION PLAN

After the focus groups ended their formal meetings in November 1996, the lead defendant, MPHA, began the process of writing the North Side Action Plan. That process took more than one year to complete. During that period MPHA met regularly with the plaintiffs, primarily Legal Aid, to ensure that the plan would address all of the points outlined in the consent decree. In addition, MPHA showed drafts to the other defendants to get their input on the document. MPHA also met twice with the focus group members to inform them of the progress on the plan as it was being finalized.

In March 1997, during the period in which MPHA was developing the plan, the agency released a new soil study that indicated a greater area of poor soil than the original study had shown. MPHA called a meeting of the focus group to present them with this information, and indicated a need to reduce the number of acres devoted to housing that would be built on-site (it had been agreed throughout the focus group meetings that housing should not be built on poor soils). The April 1997 deadline for completion of the North Side Action Plan came and went. The defendants asked the court for an extension in May, and it was granted in June. Finally, in September, the action plan framework was filed by the defendants.

The draft of the action plan was completed in late 1997 and presented to the city council for ratification. The plan called for the following:

- demolition of all existing family public housing on the site
- construction of a mixed-income residential community that would include 25% public housing, 25% moderate-income rental housing, and 50% market-rate housing
- a 36-acre open space amenity to include playfields, wetlands, and other water features
- possible new commercial and institutional uses
- a significant new parkway boulevard connection south to the Dunwoody Boulevard/Loring Park area

CITY COUNCIL RATIFICATION

In December 1997, the Minneapolis City Council met to consider the action plan framework for the north side project area. At that time the council, under the direction of council president Jackie Cherryhomes, made several amendments to the plan and then ratified it. First, the council changed the mix of housing, contradicting the directive of the focus group on one of its most contentious issues. The council mandated that 75% of the housing would be market rate and 25% public housing. In addition, the council deleted all references to rental housing, thereby eliminating any goals related to the development of nonownership housing other than public housing. Finally, the city council insisted that no social services be added on-site.

These were not minor revisions. According to one informant interviewed, what happened at the council was “the showing of the muscle of the north side community that lived to the west [of the site] that complained initially that they weren’t part of the focus groups.” This group, predominantly homeowners, was concerned about the potential reconcentration of poor people if too much affordable housing was included in the plan, or if social services were provided on the site that might “anchor” poorer residents to the area. This is essentially confirmed by Cherryhomes’ own explanation of events when she said that “the surrounding community preferred non-rental housing and wanted more market-rate housing” (Brandt 1997, 1A).

The council amendments did not sit well with focus group participants, attorneys for the plaintiffs, or community members who were beginning to suspect that the elaborate planning process undertaken thus far might be used to justify a dramatic reconstitution of the neighborhood. Some in the community had already voiced the concern that redevelopment would lead to wholesale gentrification of the neighborhood (Diaz 1997; Brandt 1997), and that deconcentration would have the effect of “wiping out” the political bases of African Americans and Southeast Asians on the north side (Furst 1996b). The council’s decision to reduce low-income housing to 25% of the total and remove social services and rental housing seemed to confirm those fears.

Any amendments to the action plan, however, had to be approved by the plaintiffs. In response to the changes made by the Minneapolis City Council, Legal Aid filed an objection to the new action plan, and this forced a round of negotiations between the plaintiffs and the city council. Ultimately, the plaintiffs signed off on the deal in April 1998 when it was agreed that having a goal of 75% market-rate housing did not preclude the development of lower end market-rate housing, and furthermore did not preclude the development of rental housing. It was agreed that the Request for Proposals (RFP) that was to be sent out to potential developers describing the redevelopment objectives for the site would mention the potential for various market ranges and tenure types among the housing units to be built. In addition, plaintiffs negotiated two seats for themselves on the North Side Implementation Committee that was created to carry out the action plan.

IMPLEMENTATION

In April 1998, the city council created an implementation structure for the redevelopment project. Central to the structure was the North Side Implementation Committee. This committee included

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the directors of MPHA and MCDA; the city coordinator; and representatives from the planning department, public works, and the park board. In addition, the mayor had a seat on the committee, as did north side council member Jackie Cherryhomes. Finally, both Legal Aid and NAACP had seats. Cherryhomes acted as chair for this committee.

A community advisory committee was also formed to provide a role for other affected constituencies, such as nearby neighborhood residents and public housing residents. Legal Aid and NAACP were included in this committee as well.

The last element of the implementation structure was the staff steering committee. The council had originally identified MCDA as the implementing agency for the north side redevelopment. Although intimately involved in the planning process, MPHA is statutorily restricted to redevelopment involving public housing. Because of the mixed land uses on site, it was felt that the broader powers and expertise of MCDA were necessary to oversee the north side project. However, MCDA was less familiar with the background of the lawsuit and consent decree, as well as the particular community planning process that had generated the action plan. Therefore, the city council agreed to create an interdepartmental staff committee charged with carrying out the action plan. The committee included representatives from a range of departments. The project director, or chief staff member for the committee, was the MPHA staff member who had managed the drafting of the action plan.

At the beginning of its deliberations, the implementation committee directed the project staff to expand the project boundaries. The area considered by the committee incorporated the original 73-acre site and the rest of census tract 43 that extends south and southwest to include the Bassett Creek area. This expansion of the planning boundaries, supported by Legal Aid, was done in order to coordinate the action plan with a study being done of the Bassett Creek area and with the Minneapolis Empowerment Zone proposal. The Bassett Creek study is an examination of the potential for redevelopment along the area south of Glenwood, and the land pollution concerns that must be addressed to allow development. The Minneapolis Empowerment Zone application (approved by the federal government in early 1999) called for the infusion of millions of dollars in economic development into the greater Near North neighborhood (as well as into a neighborhood on the city's south side).

In November 1998, the implementation committee distributed an RFP for the redevelopment of the action plan site. Despite the expanded focus to accommodate the Bassett Creek study area, the RFP was limited to the 73-acre project site. It announced the city's official vision for the site:

A new mixed-income community will emerge—a vital, diverse community in which public housing is interspersed with market rate housing. This new development will surround a 36-acre park, part of the city's world-renowned park system. A new parkway will achieve an historic link between residential communities in north and south Minneapolis, connecting residents of the near northside neighborhoods to the Guthrie Theater and Walker Art Center, the Sculpture Garden, the Loring Park college campuses and to the heart of downtown. (City of Minneapolis 1998, 1)

The RFP included the following development objectives:

- Develop approximately 450 units of new mixed-income housing, 75% of which will be priced to serve a community where a broad and continuous range of incomes is represented and 25% of which will be public housing.
- Develop facilities for institutions currently located in the area, as well as those that may locate here in the future.
- Develop appropriate commercial facilities.
- Develop parkland that includes recreational areas, wetlands, and stormwater ponds.

- Develop infrastructure, including streets, sewers, and a new boulevard connecting the site to adjacent neighborhoods to the south. Create links to the regional network of hiking and bike trails.

As expected, the McCormack-Baron development team (which included local partners) was chosen as the developer, and in January 2000, after the demolition of the Glenwood-Lyndale site had begun, the redevelopment plan for the north side was announced. The final plan called for 800 units of housing, 55% of which would be rental. Of that total, 200 units (25%) would be public housing and 200 (25%) would be subsidized for moderate-income families. Of the moderate-income units, 110 would be ownership and 90 rental. The rest of the housing, 250 ownership units and 150 rental units, were set at market rates. The number of housing units planned turned out to be nearly double the number identified in the initial plan. This was a result of the protracted conflict over affordable housing that had been concluded in Minneapolis at the end of the 1990s. This struggle is the topic of the next section.

PART THREE: THE CONFLICT

Such a “groundbreaking experiment in the deconcentration of poverty,” as the *Hollman* agreement was called, was bound to elicit some degree of political opposition. The scope and nature of the changes to be wrought by the agreement—including the remaking of a 73-acre site situated where the historic center of the city’s Black community and its downtown meet, the loss of over 700 units of public housing, and the development of replacement units on a scattered-site basis throughout the metropolitan area—span the entire range of housing and community development issues facing metropolitan areas. The conflict was manifested in two ways. First, a portion of the Southeast Asian community (those who were recent immigrants to the region) opposed the demolition of the community, and feared the destruction of support networks so important to their transition to American life. Second, there was opposition to the goal of poverty deconcentration that centered on the loss of affordable housing on the site, the potential for gentrification, and the resultant “redefinition” of the north side neighborhood.

The first of these conflicts never achieved more than the status of a low background hum because of the lack of political clout of the new Southeast Asian community. The other issue, however, became a major obstacle for the parties of the lawsuit, as it engaged representatives of the African American community on the north side, and was swept along by changes in the housing market in Minneapolis and the region during the late 1990s.

OPPOSITION FROM THE SOUTHEAST ASIAN COMMUNITY

The opposition to demolition and dispersal from the Southeast Asian community on the north side was based on three complaints: that the dispersal of families destroyed their community networks, that they had not been full partners in the negotiations process, and that the relocation process had not been sensitive to their needs.

As briefly noted, opposition among Southeast Asians to the deconcentration edict was voiced fairly early in the process. The 1995 study of housing preferences discussed by the focus groups had indicated that opposition to resettlement was greater among Southeast Asian families, especially the Hmong, than it was among other groups. The beginning of relocation from Sumner Field in December 1995 triggered a response among some Southeast Asian residents who hired an attorney to represent them in the process. The focus groups’ “Community Speak Up” on April 4, 1996, elicited critical comments from community members about the process. The official minutes from the meeting indicate that “the majority of Southeast Asians who spoke made it clear they did not want to move to the suburbs” (MPHA 1996, 3).

Loss of Community

Southeast Asian families living in north side public housing were more likely than African American families to like the housing and to value the community resources and networks that had been created in the area. The argument of Southeast Asian opponents was that dispersal would destroy the support networks upon which they, as recent immigrants to the country, depended. There were two dimensions to these networks. The first was the formal assistance organizations and service agencies that existed on the north side, including the Hmong American Mutual Assistance Association, the Lao Assistance Center of Minnesota, and the Southeast Asian Community Council. The north side site was also home to an array of social services that had been put in place over time to assist public housing residents, including a food shelf and adult education and language services.

In addition to the formal organizations, however, the Southeast Asian residents worried about the loss of family networks. According to a report by the Southeast Asian Community Council, there was a potential for reduction in the “influence of extended families and clans on the behavior and values of Hmong teenagers, already at risk . . . When families must move away from Sumner Olson social order will disappear.” The report went on to claim that “with the demolition of public housing, young people will be even more isolated. They will be harder to reach, harder to teach” (Inskip 1996, 11A). Additionally, there were concerns in the community that the local housing market did not have enough larger units to accommodate the typically large immigrant family. As one Hmong woman said, “five-bedroom apartments are virtually nonexistent outside of public housing. I’m worried that I would not find a place big enough for my family” (Washington and Drew 1995, 1A).

The *Minneapolis Star Tribune* carried dramatic quotes from another Hmong woman who, according to a story in the paper, “bought a rope and plans to hang herself if she has to move. ‘Here I can see the sky. Here, when I feel sad, I can walk to friends or the park and relieve my sadness’” (Furst 1996a, 3B). The same article quoted another woman as saying, “It would be better to be dead and be living with the Americans in the cemetery” (Furst 1996a, 3B).

Lack of Consent

A second complaint voiced by at least a portion of the Southeast Asian community was that they were not adequately consulted during the lawsuit negotiations, and that the settlement did not represent their interests. Some representatives of the Southeast Asian residents suggested that not enough members of the plaintiff class were included in the focus group process (Bauerlein 1996). Another claim suggests that the considerable number of those who cannot read even in their own language were unable to benefit from any of the notices that were sent out, regardless of the language used.

Attorneys for the plaintiffs strenuously disagreed with that contention, citing numerous meetings in the community and notices to families in several Southeast Asian languages. For their part, however, the Legal Aid staff acknowledged the difficulty of bridging the language gap. The attorneys for the plaintiffs had to force MPHA into providing translators for the focus groups. Once translators did show up, as was reported earlier, they sometimes “did not interpret very well—or never said anything.”

In any case, by July 1997, when a portion of the Southeast Asian community formally asked Judge Rosenbaum, who presided in the *Hollman* case, to reopen the lawsuit, the claims on behalf of the community were more severe. “It was a class action suit without the involvement of the class,” claimed the director of the Minnesota Tenants Union. The former director of the Hmong American Mutual Assistance Association added, “There’s no consent. It was a misnamed consent decree” (Furst 1997, 3A). Judge Rosenbaum, however, did not concur with these arguments, and the legal challenge of the Southeast Asian community failed.

Troubles in the Relocation Process

A third area of concern for members of the Southeast Asian community was the process of relocation. In April 1996, the director of the Lao Assistance Center of Minnesota reported that a number of

families moved without relocation assistance because they did not understand the process and were not given enough information about it (Bauerlein 1996). A study of the Sumner Field relocation process by the Minneapolis Urban Coalition that was released in April 1997 documented the reactions of residents to relocation.

A roughly equal percentage of African American and Southeast Asian relocatees were interviewed by the Urban Coalition. The findings suggest that a portion of those relocated felt they were not given enough information about the process, or were hurried through the process. In most cases, it was Southeast Asian families who reported these responses. The report found that “more than half of the Hmong respondents did not want to move” from their north side units (Urban Coalition 1997, ii). One in five (22%) of all respondents felt they had been pressured and rushed out of the Sumner Field apartments. All of the respondents reporting so were Hmong. “Hmong households reported much greater difficulty finding new housing than members of other ethnic groups,” according to the report (Urban Coalition 1997, ii). The Urban Coalition also found that Hmong respondents were less likely to report having been assisted with transportation, having received necessary information, or having been treated respectfully during the relocation process.

The First Protests of “Deconcentration”

The first episode of public opposition to the *Hollman* process was a protest of relocation by members of the Southeast Asian community in May 1996. A group of 30 Southeast Asians marched through the Sumner Field project carrying signs protesting their relocation. There were complaints about being rushed out of their units, and about being widely scattered and isolated as a result of the process (Bauerlein 1996). A group of the protesters pleaded their case to the mayor, and in early June, the then-president of the Minneapolis Urban Coalition announced he was joining them to request a delay in the relocation of residents who did not want to move (Furst 1996a). This effort did not generate much momentum, however.

More than a year later, in July 1997, more than 100 members of the Hmong community submitted a formal request to the presiding judge in the *Hollman* case that it be reopened because of the negative impacts it was having on their community. As noted, the judge declined their request, and the relocation and demolition continued. In time, the reaction of the Southeast Asian community died away as more of their members were relocated away from the site.

Despite the scope of the *Hollman* decree and the brief resistance of some in the Southeast Asian community, for many months the redevelopment plan remained below the radar screen of many community activists. While the focus group was deliberating—and for most of the period during which the action plan was being created—the project did not receive much media attention. There was, in fact, not much for the media to report; families were being moved out, but the site itself remained untouched, and there were no visible signs of change occurring.

The relocation of Sumner Field residents was accomplished in the summer of 1996, the last family moving out in September. The Minneapolis Public Housing Authority decided in late 1996 to demolish the Bryant Highrises, two buildings containing 188 units for elderly public housing residents located on the east side of the 73-acre project site. This demolition was related to the removal of the rest of the public housing on-site in that the Bryant Highrises’ heating plant was the same one that served the other units located north of Olson Memorial Highway. The demolition of Sumner Field would have left the high-rises without such a facility. In addition, MPHA estimated the rehabilitation cost for the high-rises was within 10% of the replacement costs. Under a new HUD program aimed at revitalizing distressed public housing projects across the country, when rehabilitation costs are determined to be comparable to new construction, the local housing authority may move for demolition of the units and partial replacement, combined with a shift in subsidies to tenant-based Section 8. This is, in fact, what MPHA had proposed for the Bryant Highrises: the replacement of about 100 units, and the conversion of 88 subsidies into tenant-based certificates and vouchers

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(Brandt 1996). In January 1997, HUD approved the demolition, and relocation of households from the Bryant Highrises was begun. The buildings were empty by June.

The demolition of the Olson Townhomes began on September 16, 1997, and the Bryant Highrises were torn down one week later.

The demolition of the empty Sumner Field units was delayed, however, by a request for historic preservation that had been made by opponents of the demolition. The Sumner Field project was one of the earliest public housing projects in the nation, initiated under a temporary program that actually preceded the establishment of the public housing program in 1937. In an attempt to save the units, opponents filed a request to have the project designated as historic. The National Advisory Council on Historic Preservation ruled that some of the Sumner Field buildings could and should be reviewed for possible preservation. (The other buildings located on poor soils were excluded from the council's ruling.)

THE AFFORDABLE HOUSING CRISIS

In the summer of 1997, as MPHA staff were finalizing the draft action plan, advocates began to organize throughout Minneapolis around the issue of affordable housing. The city's housing market had begun to heat up considerably, leading to rapidly escalating housing prices and very low vacancy rates for rental housing. A coalition of organizations came together during this campaign, including Children and Family Services (CFS), an advocacy and service group that was behind the formation of the Jobs and Affordable Housing Campaign (JAHC), the Metropolitan Interfaith Coalition for Affordable Housing (MICAHA), a group that had long been active in regional affordable housing efforts, and Jewish Community Action.

The 1997 campaign resulted in a resolution before the City Council of Minneapolis, sponsored by south side council member Jim Niland, to increase the resources the city devotes to affordable housing. By the time it came up for a vote, the resolution had been amended so significantly and the intent altered so greatly that Niland himself felt compelled to vote against it. The resolution passed anyway, and the Mayor's Task Force on Affordable Housing was born. The task force was given the charge of studying the issue of affordable housing and making recommendations to the council about what efforts should be taken. Mayor Sharon Sayles Belton appointed John Powell, of the University of Minnesota Law School, to head the task force. The task force was made up of advocates, nonprofit and for-profit developers, and funders of affordable housing. The task force met throughout the rest of 1997 and into the next year, discussing various aspects of the issue.

The task force heard from a number of local experts about the housing situation in the Twin Cities. On more than one occasion, the group took up the issue of the deconcentration of poverty. Powell, the head of the task force, had spoken out throughout the community on this issue. He felt strongly that concentrated poverty was the result of a history of residential segregation and discrimination targeted at African Americans and other people of color. Powell frequently invoked an argument that had been used by many in the Twin Cities region over the preceding years. This argument describes the potential effects of concentrated poverty in the central city, and can be called The Detroit Scenario for short.

The Detroit Scenario describes a city overcome with poverty, in which the middle class has fled to relatively safe and secure havens of racial and class exclusivity. The city is wracked by high property tax rates on ever-devaluing property, struggling to generate sufficient resources to fund essential city services and the elevated level of public and social services necessary to support an impoverished populace. Schools become underfunded and inadequate, and the streets become unsafe as drugs and crime begin to take over entire neighborhoods. All the while, the city is surrounded by an affluent ring of suburbs whose residents benefit from low tax rates due to the lack of a dependent population needing public and social services.

The Detroit Scenario highlights the consequences of several factors that have produced the particular spatial pattern of poverty characteristic of urban America. Racial discrimination in housing markets imposed by real estate professionals (Massey and Denton 1993) and endorsed by the White population (Meyer 2000) severely limited African Americans' choices in the housing market. In addition, government housing policies facilitated and subsidized White flight to the suburbs, primarily through the actions of the Federal Housing Administration (FHA), a program that applied explicitly racist underwriting principles for a 25-year period beginning in the late 1930s. At the same time, federal and local governments were concentrating inside the central cities subsidized public housing for the very poor (Jackson 1985).

Most importantly, for Powell and others, The Detroit Scenario suggested a clear course of action. To avoid Detroit's fate, people of color and lower income people in general cannot be confined to central-city neighborhoods. The barriers to their participation in housing markets outside of central neighborhoods must be overcome. The correct response in a city experiencing The Detroit Scenario is a regional approach to affordable housing issues. Suburban jurisdictions must work to provide affordable housing opportunities to lower income families. Lower income families and families of color must be provided with the means of moving out of the central-city neighborhoods to which they have been relegated. High concentrations of public housing must be eliminated, and the families stuck in them must be given greater choice in their housing and in the neighborhoods in which they live.

Powell's effort to spread the word about The Detroit Scenario complemented the work of Democratic state representative Myron Orfield, who had put together a successful legislative package in the early 1990s calling for a regional approach to affordable housing development, tax-base sharing, and reforms to public infrastructure spending that were also justified by the concentration of poverty argument. Orfield worked tirelessly during these years, speaking before groups and making the argument that central cities were in effect subsidizing the growth of outlying suburban areas through public support of road and sewer infrastructure that at once contributed to sprawl, drew the middle class out of the central cities, and left an underutilized and wasted infrastructure in the core. This pattern of growth also contributed to higher concentrations of poverty in the core because the housing stock of developing suburbs was not affordable. For three years in a row, Orfield put together a coalition of central-city and inner-ring suburban legislators to pass his legislative package. In fact, one of Orfield's most innovative contributions to this debate was to demonstrate that the inner-ring suburbs had more in common on these issues with the central city than with the developing suburbs. Orfield's package was, however, vetoed three years in a row by the governor.

Orfield was adamant in his public appearances. The central city and the inner ring suburbs desperately needed to reduce the concentrations of poverty that currently existed, and they should do nothing that might work to maintain those concentrations or to increase them. This meant, in practice, that high concentrations of low-cost housing needed to be broken up, that central neighborhoods needed to attract mixed-income housing, and that suburban housing markets needed to be opened up. Orfield's argument caught on with many activists and officials in the central cities and inner-ring suburban areas.

In making this argument, Powell and Orfield invoked the work of a national cadre of social scientists who had convincingly made four separate empirical arguments. First, poverty in the United States had become very highly concentrated in urban neighborhoods, with the number of neighborhoods in which more than 40% of the population lived below the poverty level mushrooming between 1970 and 1990 (Jargowsky 1996; Jargowsky and Bane 1991; Ricketts and Sawhill 1988). Second, such high concentrations of poverty produce a range of social pathologies at unexpectedly high levels (Anderson 1991; Case and Katz 1991; Crane 1991; Massey, Gross, and Eggers 1991). Third, this concentration of poverty was due to a range of factors that included residential segregation, changes in the job structure of American cities, and the legacy of American housing policy (see,

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e.g., Wilson 1987; Massey and Denton 1993; Massey and Kanaiaupuni 1993). Finally, research on the only sizable program in the country that systematically attempted to move poor, African American public housing residents to integrated suburban areas—the *Gautreaux* program in Chicago—was showing a range of positive outcomes for those families (see, e.g., Rosenbaum and Popkin 1990; Rubinowitz and Rosenbaum 2000). Added to this empirical research demonstrating the ill effects of concentrated poverty was the fact that The Detroit Scenario and the case for deconcentration were both intuitively appealing. People could see for themselves the increased crime and social problems, and the growing economic marginalization of high-poverty neighborhoods.

There are two other reasons for the appeal of The Detroit Scenario and the deconcentration of poverty argument, at least among progressives. The concentrated poverty argument identifies specific public and private actions that have led to current conditions of poverty and hopelessness in American cities. It acknowledges the long and grim history of racial discrimination in housing. It provides, in essence, the rationale for a public policy response to urban poverty, an issue that had not been the subject of sustained policy attention since the 1960s. Among advocates for the poor, this was not an easy argument to oppose.

Second, it was not clear in the early 1990s that there was reason to oppose the concentration of poverty argument. Potential “downsides” to deconcentration had not yet become evident. In fact, a counterargument emerged only when the abstractions of deconcentration became the reality of housing demolition and forced displacement.

Predictably, in Minneapolis, Chicago, Atlanta, and other cities that are trying to deconcentrate poverty, the first steps have been to demolish the housing of the poor in concentrated neighborhoods (Keating 2000; Bennett and Reed 1999; Popkin et al. 2000). This is often done before a significant level (or any level) of new affordable housing is made available in suburban areas. When this approach is coupled with a very tight housing market, as existed in Minneapolis, the potential for active resistance increases significantly.

In Minneapolis, the mayor’s task force was the scene of a protracted debate about deconcentrating poverty. A sizable number of participants saw a great need for affordable housing in Minneapolis and advocated for efforts to meet that need. Orfield argued against such strategies because he felt it would further the centralization of resources that leads to a concentration of poor families in the central city. Orfield and Powell continued to argue for a strong statement by the city in favor of a regional approach. The importance of this for the unfolding *Hollman* story is that the group of low-income housing advocates, previously muted before the appeal of the deconcentration of poverty argument and The Detroit Scenario, was beginning to find its voice on this issue during the proceedings of the Mayor’s task force.

Advocates involved in the affordable housing campaign had been fighting rear-guard actions to demolish existing affordable housing for several years. They began to associate this trend with the growing acceptance by local officials and neighborhood groups of the concentration of poverty argument. The loss of two apartment buildings in St. Paul, the threatened demolition of over 1,000 units in the inner-ring suburb of Brooklyn Park, and the growing reluctance of Minneapolis neighborhood groups to create affordable housing were all attributed, by housing advocates, to the logic of deconcentration of poverty. Central-city neighborhood groups had begun talking about how they had done their share of low-cost housing and that it was time for the suburbs to do more. Inner-ring suburban communities moved to demolish affordable units, arguing that they too had an overconcentration. The advocates came to see *Hollman* as another example of a loose and uncoordinated, but no less threatening, movement to reduce affordable housing in the city in the name of deconcentrating poverty. They felt that in the midst of what was becoming a severe shortage of affordable housing, the *Hollman* decree meant the loss of several hundred more units of low-cost housing. As one of the organizers later wrote, their “goal was not only to organize the community to stop or delay further

demolition, but to make affordable housing a public policy priority by exposing the devastating effects of demolition and the lack of affordable housing on real people” (Watson 2000, 1). In other words, it was time in their minds to wed the affordable housing campaign to the *Hollman* issue.

Meetings of north side service agencies and other interested parties began to take place in September 1998. This group, calling itself the Hollman/North Minneapolis Human Development Coalition, met to “ensure meaningful community participation in the planning, implementation, and evaluation of the community development of the Near Northside of Minneapolis” (Coalition minutes, September 2, 1998). This coalition included representatives from several community centers in the neighborhood, the Harrison Neighborhood Association, two Southeast Asian community groups, Summit Academy, and the Jobs and Affordable Housing Campaign.

One of the issues this coalition discussed was how the *Hollman* redevelopment fit into other city plans for the larger community. The city’s planning documents for the near north side envisioned a larger scale remake of the community that included the possible removal or renovation of four nearby low-income apartment buildings that did not “fit in with the proposed mixed income housing to be built” on the *Hollman* site (Brandt 1998a).

Northside Neighbors for Justice

Out of the coalition meetings a new group was born in December 1998. The Northside Neighbors for Justice (NNJ) was created through the efforts of organizers at Children and Family Services, and became combined with organizing efforts being undertaken by MICAHA. Jewish Community Action, another partner in the affordable housing campaign of the previous summer, also became involved in the Northside Neighbors for Justice effort. Shortly after NNJ was formed, the Northside Pastors group was organized by MICAHA to provide its perspective on the *Hollman* issue.

Northside Neighbors for Justice’s position evolved over time from general demands for living wages, affordable housing, and “meaningful involvement in decisions that affect our lives” to very specific demands about the north side public housing projects. As these positions evolved, the organization did a very effective job of communicating them throughout the north side community and to the city officials (primarily council president Jackie Cherryhomes and Mayor Sharon Sayles Belton). They were aided in this by one of the African American newspapers with wide circulation on the city’s north side, the *Minnesota Spokesman-Recorder*. The *Spokesman-Recorder* began running a regular column called “The Hollman Forum,” which was not so much a forum as it was the direct mouthpiece of NNJ. It was written by a housing advocate who had been active in the JAHC campaign and who was also part of NNJ. From the end of December 1998 and for several very active months thereafter, the paper carried prominent articles on *Hollman* that outlined the NNJ position in great detail. The accuracy of the claims made in the forum did not always match the enthusiasm with which they were made, and Legal Aid attorneys felt compelled to write corrections on more than one occasion.

It should be noted that the other African American newspaper based on the north side, *Insight News*, was just as self-consciously supportive of the city as the *Spokesman-Recorder* was critical. Throughout the next 18 months, *Insight News* would carry prominent articles written by the mayor and by council president Cherryhomes on the redevelopment issue. It also carried articles describing the positive experiences of families who had relocated to better neighborhoods. The volume of supportive stories in *Insight News*, however, came nowhere near matching the regular barrage of criticism carried by the *Spokesman-Recorder*.

Northside Neighbors for Justice and the opposition movement also benefited from exposure through KMOJ, the north side community-based radio station. KMOJ, although not as editorially explicit about its opposition to the redevelopment as was the *Spokesman-Recorder*, did provide various opportunities for critics and supporters alike to discuss their perspectives. Council president Cherryhomes appeared several times on the station’s public policy forum throughout 1999 and 2000, as did John Powell and several members of the NNJ coalition.

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The *Insight News/KMOJ* Community Forum that regularly takes place at Lucille's Kitchen was another venue for community discussion of the north side redevelopment. Lucille's Kitchen is a restaurant located on the north side, just over a mile from the heart of the redevelopment site. The restaurant regularly hosts forums for the discussion of important community issues. A portion of each of these forums is aired live over KMOJ. Throughout early 1999, the *Hollman* redevelopment and the merits of the deconcentration of poverty argument were discussed at Lucille's Kitchen. Typically, the crowd at the forum was tipped in favor of the NNJ position.

The distrust of deconcentration among opposition groups was tied to a concern that the redevelopment of the project site was the first wedge in a gentrification strategy on the part of the city. To opponents, the effort to demolish Sumner-Glenwood and replace it with mainly market-rate housing was an attempt at a land grab, an effort to expand the renaissance that was taking place in the adjacent warehouse district, the area that stood between the housing site and downtown. In effect, NNJ and other groups began to assert that they wanted the north side to remain hospitable to middle and lower income families of color, and they felt the redevelopment plans would not permit this. One of the organizing sheets reproduced by NNJ to call people to a meeting in 1999 quoted directly from the words of city council president Jackie Cherryhomes, before adding its own twist. The flyer read:

Five years from now the drive down
Olson Highway will look much different
than it does today.
New parks, ponds and
playfields . . .
Mixed income housing . . .
Jobs and training . . .

TOO BAD YOU WON'T BE
HERE TO ENJOY IT

Concerns about gentrification and displacement of current residents increased when news spread that the city was considering the demolition and disposition of other subsidized housing projects that surrounded the project site. The CityView Apartments, the Park View Apartments, and the Cecil Newman Apartments, accounting for close to 600 units of affordable housing, sit just to the north and west of the project site. By 1999, it was clear that the city envisioned the north side redevelopment as one part in a larger plan for the entire Bassett Creek area that offered the potential for a new gateway to downtown Minneapolis from the west. After NNJ quickly sounded the alarm in an effort to protect these other affordable units and expand their organizing base, the city beat a hasty retreat and announced that these units would not be demolished.

The Problems of Relocation and Displacement

Northside Neighbors for Justice also wished to publicize more widely the adverse experiences of many displaced households. By the end of 1998, over 300 families had been relocated from the project site, and NNJ felt that many had been disadvantaged by the process. The Urban Coalition study of the relocation, which had been released in 1997, provided evidence of some problems with the relocation process. Some families felt they had been rushed out of their units; others felt they had not been given enough information about what their options were.

Northside Neighbors for Justice used these experiences to attempt to undermine public confidence in the entire deconcentration strategy. The more problems they could document with the relocation process, the more concern they could raise about the intrusiveness of the north side redevelopment. Problems in relocation also helped to symbolize how poor families—those on whose behalf the

lawsuit was filed in the first place—had, in NNJ’s view, come to be pawns in a much larger conflict over land and the future of the near north side in Minneapolis.

The group’s biggest success on this issue occurred in February 1999 when organizers obtained an MPHA interoffice memo that traced the relocation experiences of the 17 plaintiffs listed on the original *Hollman* complaint. The e-mail memo that fell into the hands of the organizers indicated that several of the original plaintiffs were homeless, and that the agency had lost contact with others.

Fighting Demolition of Affordable Housing

The messages of NNJ and other opponents of the redevelopment process gained the greatest currency when they were placed in the context of the city’s growing affordable housing crisis. As the crisis developed, it became the focus of the organizers, and ultimately of the legal efforts to stop the demolition. Halting the further demolition of public housing on the site became the principle objective of NNJ and the other activist groups, and was seen as necessary to achieve a series of objectives including halting the need for continued relocation of residents, stopping further depletion of the affordable housing stock, and stalling the redevelopment process in general. The activists came to realize that once the units came down, most of their fight would be lost, and any leverage they might have over the city would be gone.

NAACP

The unlikeliest aspect of the political battle over the north side redevelopment was the changing positions of the Minneapolis branch of the NAACP. It was unlikely in that the branch was a co-plaintiff and partner with Legal Aid in the original lawsuit, yet, before the issue was resolved, the organization had abandoned its support of the north side redevelopment and moved to stop the demolition of the public housing on-site. The political contortions of the Minneapolis NAACP illustrate perfectly the tensions within the north side and African American communities on this issue, and thus are emblematic of the larger political divides generated by the deconcentration of poverty approach.

In 1992, the Minneapolis NAACP, under the leadership of Matt Little and Bill Davis (longtime allies of Mayor Sharon Sayles Belton, and established leaders within the African American community), decided to join the *Hollman* lawsuit as co-plaintiffs. The lawsuit and the negotiated settlement addressed an issue of central concern to the African American community in Minneapolis and countless other cities—that of the history of segregationist and discriminatory housing policy pursued at the national and local levels. The mayor herself was a longtime member of the Minneapolis NAACP, and the ties between the mayor’s political machine and the local branch were strong.

In 1996, Bill Davis was defeated in his candidacy for president of the Minneapolis branch by Leola Seals, a job counselor on the north side and an outsider to the established NAACP power structure. Seals came to office promising to take a new look at several positions the NAACP had taken in recent years. In the end, she oversaw a dramatic change in organizational strategy. Prior to her election, the organization had been dominated by old-school leaders who were publicly prominent and had ties to the mayor and the local Democratic party. Under Seals’ leadership, the NAACP directly confronted and challenged the mayor on three important fronts. First, it continued to advocate a 1995 school desegregation suit against the state that had been filed under the previous regime. But the Seals NAACP broadened its attack to include the city’s policy of returning to community schools. The organization packed several school board meetings throughout 1996 and 1997 and loudly disrupted the proceedings by demanding that their issues be addressed by the board. This change in tactics was controversial for an organization that had previously pursued its objectives in a lower profile manner.

Second, the NAACP under Seals’ direction was vocal in its reaction to the Minneapolis Police Departments’ Computer Optimized Deployment—Focus on Results (CODEFOR) program,

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a computer-directed anticrime initiative that the organization called racially discriminatory for its focus on minor offenses among African American males in core neighborhoods of the city.

Finally, under Seals' leadership the organization modified its role in the *Hollman* lawsuit. Initially, the Seals-led NAACP focused its concerns on channeling redevelopment resources to the community. Seals' lieutenants, who were watching the redevelopment process, were eager to monitor the flow of funds. Their objective, at least initially, was to see that local residents benefited from the process. The organization openly questioned whether the city could be trusted to spend the settlement funds in the best manner. Citing the need to ensure that benefits of the redevelopment reached the families directly affected by the redevelopment, the NAACP requested in 1998 that it receive \$23 million from the settlement funds to put into housing and employment efforts aimed at the public housing residents and neighbors of the site (Brandt 1998b).

These three visible and controversial stands put the organization in direct conflict with two of the most prominent African American officials in the city, the mayor and the newly appointed school superintendent Carol Johnson. It also triggered the formation of an opposition slate of candidates for the branch's November 1998 election. Because of disputes over the eligibility of some of the challenging candidates, the election was postponed until January 1999. The results of the election showed that Seals had lost the election to her opponent, Minneapolis firefighter Rickie Campbell, by 16 votes. However, the results were suspended by the state chapter because of a dispute over the eligibility of candidates and of some of the votes cast. Seals remained in place as president until the dispute was resolved.

During this time, Seals began writing a series of articles for "The Hollman Forum" in the *Minnesota Spokesman-Recorder*. In these articles, she made a series of strong claims about the settlement and how it was being implemented. These articles represented a dramatic escalation of criticism of the decree by the organization. She claimed that its co-plaintiff, Legal Aid, had effectively abandoned its representation of the class and had "bent over backwards to accommodate city officials" during the implementation process (Seals 1999, 1A). She sounded the alarm on the issue of gentrification in her first article, and she wrote about the potential loss of additional subsidized housing in projects surrounding the *Hollman* site in a second article. In the last two articles she wrote, Seals returned to the organization's main theme during her tenure, the channeling of settlement resources back into the community. Seals (1999) complained that although the plaintiff class was "99% people of color, white people controlled all the money and the community planning process" (1A). She wrote about the absence of people of color from the planning process, and about the amount of money set aside in the project for training site residents for jobs produced by the project and by businesses formed during the redevelopment process.

With the organization's internal situation becoming an ever-greater preoccupation throughout the first few months of 1999, however, the NAACP disappeared from the *Hollman* process for a period of time. The national NAACP office sent an administrator to monitor branch operations while the election dispute was resolved. The NAACP was not present when the opposition campaign took off in February, it was not represented when the North Side Implementation Committee interviewed the three competing developers in March, nor was the organization at two important demonstrations in opposition to the redevelopment in June and July.

The Anti-Hollman Campaign

On February 16, 1999, Lucille's Kitchen was packed with people to hear the forum on the north side redevelopment. With council president Jackie Cherryhomes and MPHA executive director Cora McCorvey in the audience, the panel included one spokesperson from NNJ, another from JAHC, and an attorney for Legal Aid. The growing controversy over relocation and redevelopment had put the Legal Aid attorneys in an unexpected position. They had entered into the lawsuit almost a decade earlier in an attempt to force redress of decades of housing discrimination experienced by the African

American community in Minneapolis. As noted earlier, they had not entered the suit with the intention of deconcentrating poverty. In the end, however, Legal Aid attorneys had a settlement that was, essentially, a poster child for national deconcentration efforts, and one that they felt included significant benefits for the plaintiff class as well as the north side community. When the redevelopment issue blew up in 1998 and 1999, the position Legal Aid occupied in the political terrain shifted significantly even though the organization had not changed its views at all. Instead of being viewed as a defender of the community and as the organization that had helped make the city, the Metropolitan Council, and the federal government accountable for past transgressions, Legal Aid became, in the eyes of the redevelopment opponents, lumped together with the city, MPHA, and HUD in trying to foist an anticomunity resettlement and gentrification plan upon residents who did not want it. Even the fees charged by Legal Aid were questioned by those who opposed redevelopment—fees that amounted to less than one-half of 1% of the settlement amount (Lane 1999). It must have been with some degree of trepidation that Tom Streitz, a Legal Aid attorney involved in the suit, took his seat as a member of the panel at Lucille's Kitchen on February 16, 1999.

Relocation had receded in importance as the 1996 Sumner and Olson resettlements became more distant, and the demolition of the remaining units in the Glenwood and Lyndale projects was still several months in the future. Instead, the opponents focused on the gentrification issue. For example, Travis Lee, a panelist and member of NNJ, claimed at the forum that “it's still a mystery to most people just who will benefit most [from] the millions invested in this project” (Brandt 1999a, 1B). There were two fears expressed by community members. First, as expressed by NAACP officials in the Seals faction, there was the concern that redevelopment would be controlled by outsiders; that the work would be done by outsiders; and that the millions of dollars dedicated to redevelopment, and the jobs and new business opportunities created by that redevelopment, would accrue primarily to outsiders. But more central at this community forum was the second fear of opponents. This was a fear that when the dust cleared and one looked around at who was living in this brand-new development with its park amenity, its link to the Guthrie Theater and Loring Park neighborhoods to the south, and its \$200,000 homes, the faces would be those of outsiders.

For his part, Streitz defended Legal Aid's position. He noted that the organization had threatened to take the city back to court when the city council had attempted to reduce the percentage of affordable housing in the redevelopment (“Lucille's Kitchen Cooks *Hollman*” 1999). He also assured the crowd that Legal Aid was continuing to monitor the relocation process to see to it that all families were provided adequate services. No accommodations between the parties were made at Lucille's that morning.

From this point forward, the campaign to alter redevelopment plans on the north side hit high gear, and the city became embroiled in front-page controversy that lasted for many months. In February, JAHC leaders came upon the internal MPHA e-mail memo that outlined the current status of the original 17 plaintiffs in the case. The memo stated that three of the plaintiff families were homeless at the time, and at least two others, and possibly a third, had been evicted from their new homes. Two additional plaintiffs were no longer in communication with MPHA and their status was unknown. MPHA later said the memo was a draft that had errors in it, and city officials accused the advocates of stealing the document (Furst 1999). The memo had the effect of thrusting relocation back into the center of the advocates' consciousness. The advocates made great use of the original memo, a Legal Aid statement about the status of the original plaintiffs, and a subsequent statement by MPHA, all of which offered different details about the fate of the original plaintiffs.

The campaign in the *Spokesman-Recorder* picked up momentum, with multiple stories in each edition. In March, the *Spokesman-Recorder* devoted an entire edition to the *Hollman* redevelopment in which it reprinted previous stories it had run and added some new stories. A letter in the issue from eight Hmong residents of Glenwood-Lyndale called the redevelopment another “Secret War” against their people, a

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reference to the U.S. secret bombing of Hmong territory in Laos during the Vietnam War. Referring both to the barrage of U.S. bombs during that war and the redevelopment plans for the north side, the writers asked, “Why did we find ourselves in the middle of all this? Because we were living on strategically important land, land that other people wanted to take from us” (Vang et al. 1999, 5c).

The issue also contained statements by NNJ, reprints of the articles written by Leola Seals, and a statement from residents of the nearby Park Plaza apartments in which they voiced their opposition to the potential demolition of their building as part of the city’s larger plan for the north side area. The issue contained a small item under the headline “Hollman cover-up alleged” that summarized the controversy over the e-mail memo.

A letter to the editor from Jackie Cherryhomes defending the redevelopment plans was also included in the issue. Contrary to the *Spokesman-Recorder’s* normal distribution procedures, thousands of copies of this issue were distributed door-to-door throughout the north side.

In April, NNJ organized a march outside MPHA headquarters at which about 80 protesters decried the displacement of families from the north side. The Reverend Curtis Herron of Zion Baptist Church in north Minneapolis, and a member of the Northside Pastors group, likened the resettlement of the project site to the “ethnic cleansing” in Kosovo, Albania, that had been receiving worldwide attention during the Bosnian conflict of 1998 (Furst 1999). The protesters again mentioned the MPHA memo, and produced one of the original named plaintiffs in the *Hollman* lawsuit, who described her housing travails since being relocated. Earline Robinson said she’d been homeless at times since she left the north side projects, and had only recently found an apartment (Furst 1999). Robinson had, in fact, left the projects well before the relocation services were in place and thus did not receive any assistance in her moves. Northside Neighbors for Justice called for an independent investigation of the relocation of families.

In response to the protesters’ claims, the lead attorney for Legal Aid explained, “At the time we settled the lawsuit, in 1995, the vacancy rate [for apartments in the Twin Cities] was six or seven percent, which was quite healthy, and no one could have anticipated that we would now be dealing with a vacancy rate of one percent” (Furst 1999, 6B). This was acknowledgment of perhaps the single most vexing problem for those shepherding the north side redevelopment. The growing acuteness of the affordable housing crisis in the city and region would, during the next few months, throw their efforts at demolishing public housing into a completely different and much more difficult context. The lack of affordable housing in the region and the difficulty that relocatees were having using household-based Section 8 certificates in the suburbs brought all three of the opposition’s arguments together. (A Legal Aid attorney at the Lucille’s Kitchen community forum in December had likened the certificates to confederate money; see “Lucille’s Kitchen Cooks *Hollman*” 1999.) Relocation and the assistance families were given while being forcefully displaced were of prime importance in a market so difficult for low-income households. The planned demolition of more than 300 additional units of subsidized low-income housing in the Glenwood and Lyndale projects, on top of the more than 300 already demolished on the site, seemed to make much less sense in light of the critical shortage of low-cost housing in the region. Concerns over the possible gentrification of the site also gained potency when combined with the affordable housing crisis. Where, if not on the north side, were these low-income families to live? Given the rapidly escalating housing prices in the region and (according to newspaper accounts and realtors) on the north side itself, fears of gentrification were much more realistic in 1999 than they had been even two years earlier.

The housing crisis handed the opponents yet another issue in their fight against the redevelopment—the excruciatingly slow pace of replacement housing construction. This was an issue on which Legal Aid readily agreed with the advocates. Although the *Hollman* defendants had been quick to demolish the Sumner and Olson projects, were emptying the Glenwood and Lyndale projects and relocating those families, and were proceeding to identify a developer to manage the remaking of the

north side site, very little headway was being made in constructing the more than 700 units of replacement housing called for in the *Hollman* settlement. By June 1999, more than four years after the signing of the consent decree, only 47 replacement units had been built, and eight of them were in a nonimpacted part of north Minneapolis. At that rate, the last replacement units would be in place roughly by the year 2050.

There were compelling reasons why progress in building replacement housing was so slow. MPHA had no authority to build outside of Minneapolis, and had to rely on the voluntary cooperation of other agencies. The consent decree limited the number of “*Hollman* units” within a given housing development to no more than 10%, a provision that was aimed at avoiding further concentrations, but that also had the effect of requiring a large number of separate developments and separate agreements. Many suburban jurisdictions were not eager to take these units, and many had no housing development agency in place to undertake such development. The Metropolitan Council had agreed to step in and facilitate the development of *Hollman* units in suburban areas without their own authority, but the council dragged its feet on this issue for more than a year (see *Report No. 7: Mobility Certificates*) before mounting a serious effort. As valid and vexing as these obstacles were, they were relatively unimportant considerations in political conflicts such as the one erupting over the north side redevelopment. The pertinent facts for many people were that the *Hollman* defendants had moved swiftly to displace and relocate low-income families from the north side, and seemed to be making almost no progress in building suitable replacement housing for them elsewhere. This fact was underscored by the region’s affordable housing crisis. One advocate argued:

Wouldn’t it have made more sense to build new units and then demolish? Wouldn’t it have shown more consideration for these families if they could have moved right from their Northside homes into *Hollman*-funded replacement housing? Instead, they have been relocated into apartments other people desperately need in a rental market so tight it’s about to bust. (“*Hollman: What It’s All About*” 1999, 1A)

There was more public relations trouble for the redevelopment efforts when the city’s major newspaper, the *Star Tribune*, ran a story on Lucy Mae Hollman, the plaintiff for whom the entire lawsuit and redevelopment effort was named (Brandt 1999b). Hollman had originally been relocated into scattered-site public housing. She moved from there with a tenant-based Section 8. Unable to keep that apartment, she purchased a home in the north side Hawthorne neighborhood. In that transaction, however, she became the victim of a “flip.” A flip is a real estate swindle in which a real estate operator purchases a home and immediately resells it at an inflated price to an inexperienced homebuyer. In Hollman’s case, the seller had held the property for two years, but had paid only \$7,000 for it and had taken permits for \$3,600 worth of improvements. The assessor valued the property at \$43,000. Hollman, who said she never saw an appraisal, paid \$80,000 for the house (Brandt 1999b).

After an illness, Hollman fell behind on her inflated payments, and, in May 1999 when the story was printed, was in the process of losing her home through foreclosure. The story illustrated for opponents virtually all of what they wanted to say about the deconcentration efforts on the north side. Hollman, the person for whom the lawsuit was known, and therefore the personification of the displaced low-income resident, had bounced around the housing market for years after being displaced, her inexperience and earning power (made fragile by both the low-wage job she held and her health problems) exposing her to the mercy of a housing market that had none. Ironically, had Hollman kept current on her home payments, she would have been displaced anyway because the city was demolishing all of the homes on her block to build a new school in the neighborhood.

As summer came, enough families had been moved out of Glenwood and Lyndale that demolition could begin. The imminent demolition brought the controversy to its peak. On June 9, the demolition crews arrived at the site to begin tearing down portions of the development. Sensing that the

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demolition would attract protesters, the MPHA had not announced the date ahead of time. Learning of the planned demolition the night before, opponents quickly assembled at the site and attempted to stop the bulldozers from tearing down the townhomes. Fourteen protesters were arrested, including eight prominent ministers from north side churches. After the arrests, a group of protesters went to city hall and demanded a halt to the demolition. Upon hearing their arguments, Mayor Sayles Belton agreed to a temporary interruption of the demolition. By this time, one building had a gaping hole through it the width of a bulldozer. Further progress on the demolition had stopped when workers discovered that the hydraulic hoses on a backhoe had been slashed. Following the quick arraignment and release on bail of the “Hollman 14,” the protesters gathered at Lucille’s Kitchen where an *Insight News/KMOJ* Public Policy Forum was in progress. As the *Spokesman-Recorder* later reported, “the events of the morning had already been broadcast by KMOJ and the Lucille’s crowd gave a warm welcome to those who had volunteered for arrest . . . A collection on the spot was taken to pay their fines” (“Hollman Protesters Arrested” 1999, 1A).

The mayor halted the demolition so that the parties could begin to discuss alternative scenarios for the Glenwood-Lyndale units (Diaz 1999a). The mayor was hoping for a reasoned resolution of the issue; the “dialogue” that ensued, however, did anything but clear up matters. Instead, the number of participants in the controversy increased, and the roles that each played became confused and contradictory.

The African American Leadership Summit and the Council of Black Churches, two groups with strong ties to the mayor, entered the fray with their own plan for redevelopment. Their recommendations, titled “The Whole Man Way,” called for a moratorium on demolition until more progress had been made on replacement housing development. The plan also called for more affordable housing units to be put back on the north side site than the city council had agreed to.

Meanwhile, NNJ and others began to urge the temporary reuse of the vacated Glenwood-Lyndale units, and possibly even their permanent rescue from demolition. It was at this point that NAACP came out of its shell. Its long internal leadership dispute had finally ended, and although the presidency of Leola Seals was over, the momentum of community opposition to the *Hollman* demolition was too great for the organization to ignore even if it wanted to. Furthermore, there is evidence that despite the election of a more conciliatory governing board, a majority of active members had come to view the *Hollman* redevelopment with misgivings. In the organization’s first official statement about *Hollman* in months, the attorney for the group expressed his concern with “the disruption and the gutting of the North Side’s black community” (Diaz 1999b, 1A).

The mayor, by stepping into the middle of the conflict with her June 8 action, had actually put the city in violation of the decree by unilaterally stopping the demolition, and thereby made it legally vulnerable. Furthermore, it became clear early on that she had little power to force the other defendants to change their actions to resolve the dispute that was raging in her city and within her constituency.

The area in which she did act was in pledging more aggressive city action in developing replacement housing within the city limits. The decree called for at least 88 units to be built in nonconcentrated neighborhoods in Minneapolis, but with the exception of a single development on the north side, nothing had been done in the four years since the agreement was signed. Shortly after the stoppage of demolition, Sayles Belton announced that the city would create 74 new scattered-site public housing replacement units by April 2000 (Diaz 1999b). Combined with the 14 units that were already built or were in advanced planning, the city’s obligation of 88 units would be fully met. This action was welcomed by the housing advocates, but it did not do much to ameliorate the political crisis that the city faced. This was the one issue, after all, about which everyone agreed—the pace of replacement housing development to date had been far too slow. The mayor’s announcement broke no new ground, and did not address the critical issue of the fate of the public housing at Glenwood and Lyndale, or the fate of the 73-acre north side site.

On the issue of saving, even temporarily, the remaining public housing on the north side site, the prospects for achieving an agreeable resolution were slim. Most of the units were vacant by June 1999, and in preparation for demolition, many had been systematically stripped of their internal systems and amenities. Furthermore, all forms of regular maintenance had been suspended for months. All of this left the units uninhabitable without significant rehabilitation.

During the second Clinton administration, Sharon Sayles Belton had been considered as a possible successor to Henry Cisneros as secretary of HUD. She had strong ties to the administration, and a close relationship with agency officials. Thus, there was some hope among advocates that she might be able to use that cache to wriggle rehabilitation funds from the agency to make Glenwood and Lyndale inhabitable again, at least in the short term. It must be remembered, however, that HUD was pursuing similar strategies of demolition and redevelopment all across the country. The *Hollman* way was HUD's way. The agency quickly indicated that it would not provide funds for the rehabilitation of the Glenwood-Lyndale units.

On July 9, 1999, the city's North Side Implementation Committee recommended a large increase in the number of housing units to be rebuilt on the north side site, from the originally planned 450 units to 750 units. The implementation committee also capped the market-rate units at 50% of the total. The committee's action had the effect of significantly increasing the number of low- and moderate-income housing units planned for the site, and was a bow both to pressure from the housing advocates and to the realities of the housing shortage in the city. This move, supported by housing advocates, was called a "retreat from the *Hollman* mandate of deconcentrating poverty" by one planning commissioner who worried that it might "choke off demand for the market rate housing" to be built on-site (Diaz 1999c, 1B).

In the meantime, pressure from the north side protesters drove the mayor to make a trip to Washington, D.C., to appeal for rehabilitation funds for the public housing units still standing. Officials at HUD again turned her down. The mayor returned to the city saying that HUD would put no new money into the projects, and that the agency had given her 60 days to find new funding to save the Lyndale units. Even if she were successful, according to HUD, the Lyndale units would have to be demolished nine months later, by April 2000. It is unclear under what authority HUD could have given the mayor a deadline since the court, and not the agency, had the final say in *Hollman*-related activities. Ultimately HUD did agree to continue operating and rent subsidies until the units were demolished, an obligation so fundamental that it does not qualify as much of a concession.

The trip to Washington, however, gave the mayor some needed political cover on the issue. She could demonstrate her effort to save the units, and point to the intransigence of her federal partners as the chief obstacle. She came back with a short deadline for funding, however ambiguous its authority, and the news that even if successful, reoccupation of the units could only last for nine months. In addition, it had been pointed out to the mayor during this period that the demolition of the Glenwood units was necessary under any scenario to allow the redevelopment plan to go forward. As a result, the Glenwood units were taken off the negotiating table. The mayor at this point was considering saving only the 86 Lyndale units. Days later, the number was reduced to just 70 units based on an assessment of the actual number that were still salvageable. In a very short period of time, the mayor had managed to redefine (and in the process reduce the scope of) what was possible in relation to saving the Glenwood and Lyndale housing projects. Reoccupation would only be temporary if it occurred, no HUD funds would be made available to restore the units, and only 70 units out of more than 300 still standing were even under consideration.

Protesters kept up their pressure nonetheless, and by the end of the month, the mayor announced her plan to seek \$300,000 of city money to save the units. The mayor called it a "short term strategy based on the fact that there's no place for some families to find decent shelter" (Diaz 1999d, 1B). This

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was a strategy that no one liked. The city council's Ways and Means Committee rejected the proposal, while the Reverend Herron of the Northside Pastors group said "saving only the Lyndale units would not meet our needs" (Diaz 1999d, 1B).

Two days later, the Hollman 14 appeared in court, providing another opportunity for north side protesters to rally. Close to 150 people marched outside of the Hennepin County Government Center calling for an end to the demolition.

As July came to a close, the protesters had few possible avenues for saving the public housing units still standing on the north side. Although the affordable housing crisis had provided them with a platform from which to argue that the demolition was not in the best interests of the community, by August the mayor's maneuverings had ensured that any remedy to the protesters' demands would be short term and limited—at best, a response to the present-day difficulties of finding replacement housing for families displaced during the demolition. The larger issues of gentrification, the future of the north side site, and the greater legitimacy of deconcentration had, ironically, been overshadowed by the overwhelming concern for the availability of affordable housing for the displaced.

There were still discussions about these larger issues, to be sure. The Reverend Herron continued to talk about the "immorality of gentrification" and about deconcentration as "ethnic cleansing." The policy discussion, however, centered rather narrowly around the issue of the current lack of affordable housing. As will be seen, this became a trap into which opponents of redevelopment ultimately fell, a trap that doomed their efforts.

In early August, the NAACP held a meeting at which members heard about the controversy from various sources. At an August 15 rally for the Hollman 14, the NAACP announced that it would begin legal action to stop the demolition. This was the first time that the NAACP had participated in a public action protesting the redevelopment. Their announcement of impending legal action was a major development in the process insofar as the NAACP was a co-plaintiff in the suit, and already had standing with the court. Second, this was a legal strategy and not simply a political strategy. The success of the efforts of the protesters to date had always been subject to the ultimate approval of the court, to the extent that they modified already agreed to elements of the consent decree. The NAACP would take the issue directly to the judge. The irony of this decision is all too clear. The NAACP, a plaintiff in the original suit, was now preparing to ask the presiding judge to stop the defendants from carrying out the court-ordered remedy.

Aware of this peculiarity and to make sense of it, NAACP spokespeople had to question the position of the Legal Aid attorneys, the attorneys for the plaintiffs who continued to seek demolition, redevelopment, and the deconcentration of poverty on the north side. The NAACP pointed to the Legal Aid attorneys and claimed that it was "unclear who they are really representing here"—the city and the developers, or their low-income clients (Freeman 1999).

The reentry of the NAACP into the fray reinvigorated the debate over redevelopment. The *Star Tribune* coverage highlighted the various political positions being staked out by participants. An August 15 article in the newspaper is notable for the range of issues it identifies (Diaz 1999e). Herron and others decried the forced relocation of the poor. Bill English, leader of the African American Leadership Summit, called for the revitalization of the north side, not a complete redevelopment. English was invoking the larger debate over whether deconcentration or community development was a better strategy for dealing with concentrations of poverty. Another north side pastor argued against the presumption that a concentration of African Americans was, per se, a problem to be corrected (the consent decree identifies "concentrated" census tracts by both poverty and minority status). Echoing this sentiment, Pastor Paul Robinson of the north side Community Covenant Church was quoted as saying that "folks of color have never had a problem living with folks of color. Somebody outside the community decided that" (Diaz 1999e, 1B).

On the other side, the mayor and council president Cherryhomes reiterated the deconcentration of poverty argument, the mayor suggesting that deconcentrating poverty and building strong neighborhoods are legitimate policy objectives, and Cherryhomes suggesting that the “hard working people” whom she represented supported deconcentration (Diaz 1999e, 1B). The *Star Tribune* itself editorialized in favor of deconcentration, noting that “plowing every dollar into affordable housing would only further concentrate poverty and perpetuate the image of Minneapolis as a client city” (“Affordable Housing” 1999). “Plowing every dollar into affordable housing,” of course, characterized none of the proposals being suggested by any of the parties, but the rhetorical intent is clear. It places the pursuit of affordable housing at odds with the pursuit of a healthy community, and states explicitly what many proponents of deconcentration sometimes find difficult to say—that deconcentrating poverty and central city affordable housing strategies are, at some level, opposed to each other.

Meanwhile, events continued to unfold, and the higher principles of the deconcentration debate dissolved into an increasingly desperate and more narrowly defined attempt to save a few hundred affordable housing units to ease the city’s shortage. Demolition was scheduled to resume on August 18. Eighteen hours before that deadline, the mayor and Cherryhomes agreed to delay the demolition so that NAACP could prepare legal motions to save the remaining 200 units (Diaz 1999f). While preparing the motion, NAACP leaders met with city officials to convince them to reconsider their position on the remaining 200 units at the Glenwood project. The city did not change its position, and instead tried to get NAACP leaders to accept their “compromise” position that Lyndale be saved and Glenwood torn down. As it was, the mayor had said that even if all parties agreed on this position, she did not know at this point where the \$300,000 would come from to complete the rehabilitation.

On August 28, just days before the hearing in U.S. District Court in Minneapolis to consider the organization’s motion, the NAACP–Minneapolis branch membership voted to reaffirm the position that both the Glenwood and the Lyndale units be rehabilitated (Diaz 1999g). In taking this vote, the membership was explicitly rejecting the idea that the Glenwood units be torn down. This vote made what happened days later in Judge Rosenbaum’s private conference room all the more inexplicable.

On the following Thursday, September 2, with a crowded courtroom awaiting the hearing, the attorneys from Legal Aid, NAACP, MPHA, and HUD met privately in Judge Rosenbaum’s conference room and agreed to exactly the same deal that the NAACP had rejected in its talks with city officials and that its membership had rejected five days earlier. The NAACP lawyers suggested, in announcing the agreement, that it contained several concessions they had been looking for. The three that were mentioned included an accelerated pace of replacement housing development, provisions for extended use of Section 8 vouchers for displaced families, and stronger guarantees for minority participation in the redevelopment.

Regarding these as concessions, however, is a generous interpretation of events. The city, and especially the mayor, had been aware for many weeks that it was vulnerable on the issue of replacement housing. In fact, the city had already made a pledge to step up the rate of replacement housing development in June, immediately after the demolition had been halted the first time. Essentially reiterating the same pledge almost three months later was not much of a concession. As for allowing displaced families more time to use their Section 8 vouchers, this was a minor administrative move that was easily accomplished. Finally, stronger guarantees for minority participation, while a laudable goal (and perhaps even a goal shared by many redevelopment opponents), was in fact a *primary* objective only for the NAACP. Minority participation in the redevelopment was not a central item on the agenda of NNJ, MICAH, or the Northside Pastors group. In fact, there is something ironic about this item given that it regards the demolition of the units and the redevelopment as a *fait accompli*, and merely allows the participation of the community in the action. The Northside Pastors and NNJ had been looking to, in some sense, “save” their community, something quite different than ensuring that the community be allowed to participate financially in its own dissolution.

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The lawyers emerged from the judge's office saying that the deal had to be ratified by officials at HUD, the Met Council, the City of Minneapolis, and the NAACP before it became effective.

As for the embarrassing fact that the NAACP membership had already voted down essentially this same agreement, proponents of redevelopment within the organization questioned the validity of the membership vote (the vote was 15 to 10 for an organization that has slightly more than 1,000 members) and the validity of the meeting at which the vote was taken (the Mayor and council President Cherryhomes, both members of the NAACP, claimed that they had never received notice of the meeting). Furthermore, it was unclear to organization members whether the general membership or the executive council had the right to approve or reject the deal (Diaz 1999g).

On September 18, the Minneapolis City Council did its part to ratify the agreement reached in Judge Rosenbaum's office; it reversed its earlier position, and voted to spend \$300,000 to temporarily renovate the remaining Lyndale units (Diaz 1999h). Two days later, however, the executive committee of the NAACP rejected the plan. In the span of three weeks, the organization had managed to reverse itself twice. The recently elected president of the Minneapolis branch, who had 16 days earlier called the deal "acceptable," now said, "it's time to rumble" (Diaz 1999i, 1B). According to the *Star Tribune*, at the eleventh hour the NAACP offered in secret to settle (i.e., accept the demolition of the Glenwood units) if the city provided the organization with \$500,000 annually to finance an NAACP-based organization to track *Hollman* residents, assist them in relocating to the new housing to be built on-site, and to help them "adjust to the new community" (Brandt 1999c, 1B). City officials rejected the idea, noting that these functions were already being provided.

One week later, Judge Rosenbaum heard arguments on the motion. The NAACP attorneys had decided that they would make the severe affordable housing crisis the basis of their motion. The organization's lawyers argued that in the midst of the tight housing market in the region, the demolition of Glenwood and Lyndale would add to homelessness in the city. This strategy was peculiar in that it did not allege any violation of the decree on the part of the defendants, but instead asked the judge, in essence, to amend the decree on the basis of changed conditions. Judge Rosenbaum wondered out loud whether he had the power to address these "new issues." Although the NAACP lawyer assured him he did, the judge moved on to another argument. Rosenbaum asked the MPHA lawyer about the lack of progress on replacement housing. Although the MPHA could not very well defend the slow pace of replacement housing development, the lawyer did point out that the NAACP motion did not address the issue of replacement housing, a point with which Legal Aid attorneys agreed. It became clear that the replacement housing—a requirement of the consent decree and an obligation of the defendants—was an issue on which the defendants were vulnerable. Furthermore, because it was a requirement of the consent decree, the city's record on replacement housing was something about which the judge could rule. The NAACP strategy, however, did not address replacement housing. It argued that the judge should save Glenwood and Lyndale because the city now needed those affordable units. As the city's lawyer said to Rosenbaum in summation, "the NAACP want you to take over the city's affordable housing program. With all due respect your honor, you don't have that authority." In the end, Rosenbaum agreed.

After the hearing, perhaps sensing the weakness of their legal position and belatedly realizing the judge's inclinations, the NAACP offered the city yet another deal. This time the organization suggested that 140 units be temporarily saved instead of the 70 that the city had pledged. The deal was rejected by the city.

Unsurprisingly, on September 31, Judge Rosenbaum rejected the NAACP motion to stop demolition. Reacting to the NAACP's focus on the lack of affordable housing, the judge wrote, "The NAACP's motion asks the court to order changes in the consent decree because of a changed economic environment. But the lawsuit before the court, and the decree that resolves that dispute, are not based on questions of rental economics" (Hawkins 1999, 8). He added, "The court cannot be a

social and community planner empowered to solve all of the community's ever-changing problems" (Brandt 1999d, 1B).

On October 26, 1999, four-and-a-half years after the signing of the *Hollman* decree, three years after the focus groups had called for the demolition of the north side units, and four-and-a-half months since the Hollman 14 had stood in front of the bulldozers, the remaining units of the 39-year-old Lyndale and Glenwood public housing projects began coming down. About half of the units were demolished that very day with "about a dozen subdued opponents gathered outside the fences to watch" (Brandt 1999e). There was still a handful of families living in some of the other units. The last family would be moved out in April 2000, and the last unit razed the following week.

In January 2000, Richard Baron of McCormack-Baron, the developer of the north side project announced his plans for 800 units of new housing on the site. Fifty-five percent of the housing would be rental, and 200 units would be public housing. Another 90 units would be subsidized for low- to moderate-income households, and 150 would be rented at market rates (between \$835 and \$1,225 for two- and three-bedroom apartments). Of the 360 homeownership units, 250 would be sold at market rates, ranging from \$90,000 for smaller two-bedroom homes to as much as \$200,000 for some four-bedroom homes. Another 110 homes would be subsidized for sale to income-qualified buyers. The distribution worked out to exactly what the focus group had recommended three years before—25% public housing, 25% subsidized housing for low- and moderate-income families, and 50% market-rate units. The only concession to the events and protests of the intervening years was that the number of units to be built on-site had been increased from 450 to 800.

CONCLUSION

The consent decree in *Hollman v. Cisneros* represents a framework for action on a set of policy objectives that were shared by the plaintiffs and the defendants. The deconcentration of Minneapolis public housing families was the agreed-upon goal of all parties to the lawsuit. On the question of the reuse of the north side site, the consent decree established a community-planning process that attempted to incorporate broad segments of the north side community.

By most accounts, the focus groups established to provide advisory recommendations for the north side redevelopment ran smoothly. According to most of the focus group participants, the process was regarded seriously by the defendants, and the group was able to influence final outcomes. One participant felt the group had power and demonstrated it dramatically:

I think _____ and other staff members felt the need to respond positively to the requests because they knew the visibility of the process. So I am not going to suggest that they did it out of the kindness of their hearts necessarily but there was a certain self interest in it, and by being open to the process, when someone asked for something it was their compulsion to try to get it done.

For the most part, there was agreement about redevelopment objectives. The focus groups did, however, debate the degree of demolition and the mix of incomes for the housing that was to be put back on-site. A small number of focus group participants would later claim that the process was manipulated in favor of full demolition and less affordable housing. There is some evidence that the claim is at least partially accurate in the case of affordability. These debates within the focus group presaged larger political problems that the redevelopment plan would encounter in the months after its unveiling.

The consent decree enjoyed widespread support when it was first announced. It seemed to many that it represented the best of all possibilities. The 73-acre site, the location of the oldest and most troubled public housing in the city, would be redeveloped with federal funds that allowed for a

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remaking of the neighborhood, the relocation of all residents, and the replacement of all of the lost units of affordable housing on a one-for-one basis. The agreement reflected the accepted wisdom that high concentrations of poverty are bad for a community and bad for the people resigned to live in them. Support for deconcentration was widely shared by federal and local officials, as well as by the attorneys for the plaintiffs.

In the years following the signing of the decree, several factors combined to produce significant community-based opposition to the redevelopment plan and to the idea of deconcentration of poverty. One of these factors was simply the difference between the lofty goals of the decree on one hand, and the reality of displacement, relocation, and demolition necessary to make them happen on the other hand. That is, deconcentration may seem acceptable in the abstract, but when it is carried out, some people lose their homes, are involuntarily moved out of their communities, and witness the destruction of the community in which they had lived.

In addition, there were other factors that led to a growing level of community opposition to the redevelopment plans. First, a large percentage of the families living on the north side site at the time of relocation were recent Southeast Asian immigrants. Many in this community valued the spatial concentration of their community and the web of supports that had been established around it. Opposition to relocation was centered in the Southeast Asian families. Second, a change in the leadership of the NAACP replaced a group that had been supportive of deconcentration with another set of activists who were concerned about the possibility of the redevelopment leading to gentrification of the north side. Finally, a rapidly growing housing affordability crisis in the city emerged at exactly the time when the city was demolishing the hundreds of affordable public housing units on-site. The opposition movement that emerged as a result of these factors revealed some important criticisms of the deconcentration of poverty approach.

First among these is the observation that not all families will want to leave the targeted community. The lead attorney for the plaintiffs admitted that they understood that some people would not want to leave. The attorneys tried to fashion a settlement that would allow the relocatees to move where they wanted (i.e., to remain in the neighborhood if they desired) and to move back into the neighborhood when the replacement housing was built (Furst 1996a). Regardless of how much this type of resistance was anticipated, its existence was a political problem for defenders of the redevelopment plan. Opponents were able to argue that the relocation was something that was being done *to* the people who had resided there, rather than *by* them. This image was amplified when a portion of the African American community came out against the redevelopment plan, albeit for slightly different reasons.

A portion of the north side community voiced concerns early on about gentrification. Ron Edwards, a Black activist in the city, said demolition of the north side projects was “shattering the political bases of blacks and Southeast Asians” (Furst 1996b, 3B). Edwards argued that physical proximity is important for preserving a community and its culture, and deemed it racist to say that concentrations of poor and minority populations breed crime and social problems. Harry Boyte of the University of Minnesota said that deconcentration theory makes “an implicit assumption that poor communities are pathological and we have to break them up, scatter the individuals to healthy communities where they will develop good habits, where the right, middle-class values will rub off” (Furst 1996b, 3B).

Efforts to deconcentrate poverty must walk a fine line. On one hand, such efforts are designed to improve neighborhood conditions by reducing social problems in the community and attracting more private sector investment in housing and commercial activities. If the neighborhood becomes too attractive for that type of investment, however, the nature of the neighborhood could change from one that serves the needs of a low- and moderate-income population to one that is dominated by higher income groups. In the case of *Hollman*, there was an additional concern that gentrification would also lead to a racial transformation of the area.

The unforeseen crisis in housing affordability produced the most difficult problem for proponents of the redevelopment. Extremely low vacancy rates and a regionwide lack of affordable housing made the demolition of hundreds of units of public housing seem counterproductive. Coupled with a lack of genuine progress in the building of replacement housing during the first four years after the decree was signed, the housing crisis became the focus of significant opposition.

In the end, the opposition groups could not stop the demolition of the north side units, although they did influence the process and increase the number of housing units slated to be put back on the site. The redevelopment on the north side is going forward much as the parties to the lawsuit imagined, and much as the focus group recommended back in 1996. But the tough political battle that took place in Minneapolis over the redevelopment plans provides a textbook example of the contradictions inherent in deconcentration policy.

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APPENDIX 1

CHRONOLOGY OF NORTH SIDE REDEVELOPMENT PROCESS

1995

- April *Hollman* consent decree signed
 December Relocation of first family from Sumner-Olson housing projects

1996

- February Phase I (Sumner Field) focus group begins meeting
 March Phase II (Glenwood, Lyndale, Olson) focus group begins meeting
 May Southeast Asians protest the planned demolition of Sumner
 June Phase II focus group votes for “maximum amount of public housing” to go back on-site
 August Phase I and Phase II focus groups begin to meet jointly
 August Joint focus group decides on goal of 25% public housing, 25% moderate-income housing, and 50% market-rate housing
 November Focus group completes its deliberations and votes on final recommendations
 Relocation of last family from Sumner-Olson housing projects
 Leola Seals elected president of Minneapolis NAACP

1997

- January The U.S. Department of Housing and Urban Development (HUD) authorizes demolition of Bryant Highrises; relocation of residents begins
 March New soil study shows larger area of poor soils, limiting the amount of land available for replacement housing on-site
 April Urban League releases study of relocation from Sumner Field
 June Relocation of last family from Bryant Highrises
 July 100 Hmong submit letter to U.S. District Court Judge Rosenbaum to reopen *Hollman* settlement negotiations
 September Demolition begins at Olson Townhomes
 Bryant Highrises demolished
 October Draft of North Side Action Plan sent to plaintiffs, defendants, and focus group members
 Sumner demolition delayed by application for historic preservation
 December Minneapolis City Council approves North Side Action Plan, with amendments

1998

- January Legal Aid Society formally objects to the amendments to the North Side Action Plan
 April Settlement reached on North Side Action Plan
 North Side Implementation Committee created; begins meeting
 July Demolition of Sumner Field Townhomes begins
 August Development objectives created for near north side
 November Request for Proposals issued for developers of north side site
 December Northside Neighbors for Justice (NNJ) formed; begins advocacy campaign in opposition to redevelopment plans
Minnesota Spokesman-Recorder begins “The Hollman Forum”

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1999

- February Three finalists for north side development chosen
NNJ makes public Minneapolis Public Housing Authority (MPHA) internal memo indicating three plaintiffs homeless
- March *Spokesman-Recorder* runs special edition on *Hollman*
- April Opponents of relocation plan rally outside of MPHA offices
- May *Star Tribune* story on Lucy Mae Hollman and her experiences since relocation
- June Opponents protest beginning of demolition of Glenwood-Lyndale projects;
“Hollman14” arrested
Mayor suspends demolition at Glenwood-Lyndale projects
City agrees to step up rate of replacement housing development
- July North Side Implementation Committee recommends increasing housing units from 450 to 750
Mayor goes to Washington to ask HUD for rehabilitation funds for Glenwood-Lyndale projects, HUD says “no”
Hollman 14 appear in court, while protesters demonstrate outside
- August Rally for Hollman 14
NAACP makes public statement in opposition to redevelopment
Mayor agrees to postpone demolition again to allow NAACP time to prepare legal motion
NAACP membership votes down compromise that would save Lyndale units, but not Glenwood units
- September Parties reach agreement in Judge Rosenbaum’s office on compromise deal to spare Lyndale units but demolish Glenwood
City council approves \$300,000 for rehabilitation of Lyndale units, ratifying the compromise deal
NAACP again votes down compromise deal
Judge Rosenbaum hears NAACP motion to stop demolition, and rules against it
- October Demolition resumes on Glenwood-Lyndale units

2000

- January Developer announces plans for 800 units of new housing on-site
- April Demolition of Glenwood-Lyndale projects completed
- May Relocation of Glenwood and Lyndale families completed
- June Dedication ceremony for redevelopment site

HOLLMAN v. CISNEROS

Deconcentrating Poverty in Minneapolis

**Report No. 3:
Baseline Data Analysis for
North Side Redevelopment**

by Edward G. Goetz

Center for Urban and Regional Affairs
University of Minnesota



A publication of the Center for Urban and Regional Affairs (CURA), an all-University applied research and technology center at the University of Minnesota that connects faculty and students with community organizations and public institutions working on significant public policy issues in Minnesota.

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INTRODUCTION

The consent decree in *Hollman v. Cisneros*, signed in 1995, committed the Minneapolis Public Housing Authority, the U.S. Department of Housing and Urban Development, and their co-defendants to a series of dramatic policy changes. First, four north side public housing projects and dozens of scattered-site public housing units would be reviewed for possible demolition or disposition. Second, the defendants would create up to 770 units of replacement public housing in nonimpacted areas of the city and suburbs. Third, the displaced residents of the demolished scattered-site and north side public housing were to be relocated with public assistance. Fourth, the 73-acre north side site was to be redeveloped. Fifth, hundreds of tenant-based housing subsidies would be made available to Minneapolis public housing residents to enable them to move out of areas of race and poverty concentration. Sixth, changes in the operation of the Minneapolis Section 8 program would occur to make it easier for participants to exercise geographic choice. Finally, an affordable housing clearinghouse would be created to provide low-income families a centralized source of information about housing options in the metropolitan area.

The Center for Urban and Regional Affairs (CURA) at the University of Minnesota was contracted by the Family Housing Fund of Minneapolis–St. Paul and by the State of Minnesota in 1998 to conduct an evaluation of the implementation of the consent decree. This is the third in a series of eight reports generated by the consent decree.

This report serves as the baseline study for conditions on the north side of Minneapolis prior to the redevelopment of the 73-acre project site. The report considers empirical data concerning the economic, social, and physical conditions on the north side, as well as resident perceptions of the neighborhood. It is intended that the analyses conducted in this report will be duplicated in the future to help determine the impact of the redevelopment on the neighborhood.

BASELINE DATA ANALYSIS FOR NORTH SIDE REDEVELOPMENT

This report presents the findings of the baseline data analysis for the 73-acre north side redevelopment site. Although there are some findings that are of intrinsic interest in the description of the conditions existing on the north side prior to its redevelopment, these data are more intended to serve as a point of comparison to conditions that are created in the community as a result of the redevelopment. Several aspects of the north side community are examined, including the prevailing economic conditions, land-use patterns, the physical stock of the neighborhood, and the perceptions and attitudes of residents living within a one-mile radius of the redevelopment site.

Because this analysis relies on a range of data sources, and these sources provide information according to slightly different boundaries, it is necessary to define three different areas of study. The first area is the **project site**—the 73-acre redevelopment site. This is the area directly subject to the agreements in the *Hollman v. Cisneros* consent decree. The second area of study is what shall be referred to as the **neighborhood**. This is an area encompassing a one-mile radius from the center of the project site (Eighth Street and Emerson Avenue North). The last area of study is the **community**, which includes all of the census tracts that are at least partially within the neighborhood boundary (as described above). The community is thus defined as census tracts 21 through 23, 27 through 29, 32, 33, 35, 41, 43 through 45, and 51. All three study areas are shown in Figure 1. Note that the neighborhood and therefore the community boundaries are truncated on the east and south sides. This is because of the significant boundaries that exist—Interstate 94 (eight lanes of freeway) to the east, and Interstate 394 and the railroad tracks to the south. These create buffers that effectively cut off the Near North from its adjacent southern and eastern areas.

Finally, at times in this report we are restricted by the data to using the City of Minneapolis' neighborhood boundaries. In such cases, neighborhood names such as *Near North* and *Sumner-Glenwood* will be used.

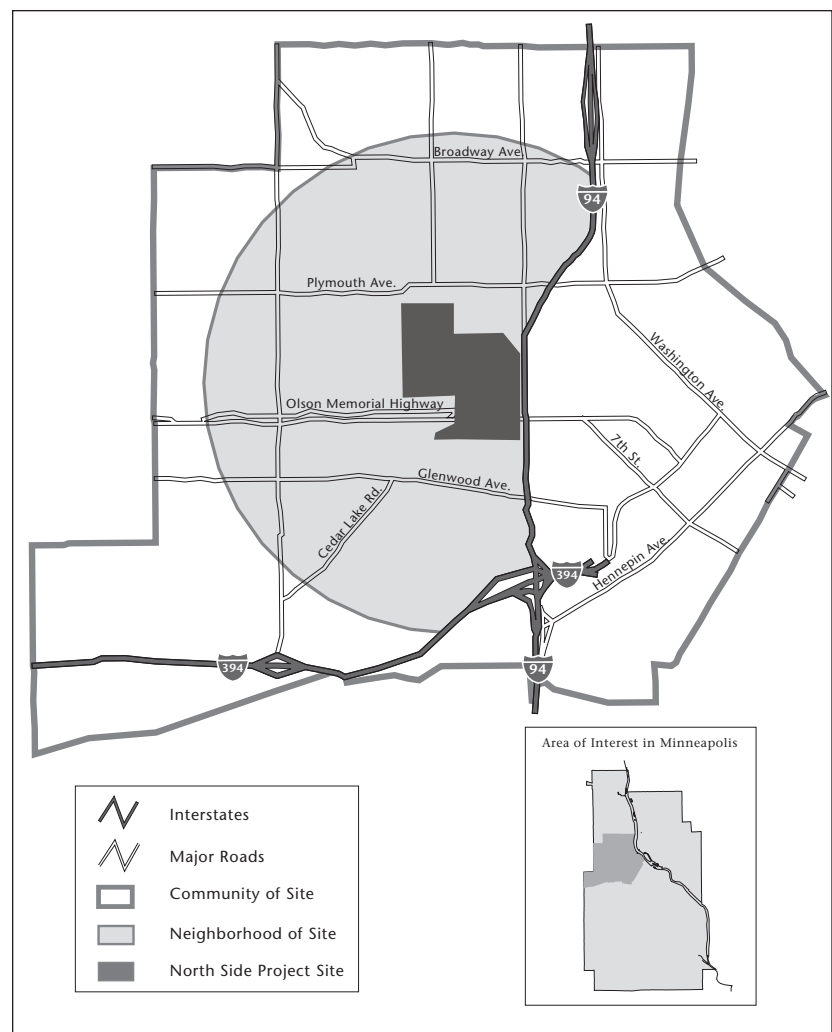


Figure 1. North Side Project Site, Neighborhood, and Surrounding Community

PHYSICAL AND ECONOMIC CONDITIONS

Economic Activity and Employment

The project site is bordered by industrial land uses on two sides. The commercial areas in the community are located along Broadway Avenue on the north and, to a lesser extent, along Glenwood Avenue on the south. There has been extensive new commercial and industrial development in the area in the past two decades. Broadway, the northern boundary of the area and the main commercial strip, has received considerable public investment to create a new shopping mall, including the construction of a Target store to anchor the strip. Extensive public funds were used for clearance and land assembly to complete the commercial redevelopment along Broadway. Plymouth Avenue is the site of the 22-acre Northgate Industrial Park to the northeast of the project site. The land, initially purchased by the Minnesota Department of Transportation during the 1960s for the development of a crosstown freeway, was sold to the city, which converted it into an industrial park during the 1980s. Most of this project was accomplished through public funding as well (industrial revenue bonds with some support from the Community Development Block Grant, or CDBG). The commercial and industrial area along Glenwood Avenue has not received as much attention from the public sector. It is, nevertheless, a thriving industrial center that extends from the southern edge of the project site to the railroad tracks and Interstate 394. Along with the tracks and the freeway, this industrial belt creates a large and virtually impenetrable buffer between the project site and the residential areas of the Kenwood community to the south.

The commercial and industrial businesses along Broadway, Plymouth, and Glenwood constitute a sizable concentration of employment opportunities in the community. In addition, of course, the central business district—with its wide range of commercial, retail, office, and service jobs—is only one mile from the project site. The physical proximity of job centers does not guarantee that employment opportunities will go to area residents, however. Table 1 presents data on the employment of community residents in 1998.

The first column of numbers is the average weekly wage rates for each Standard Industrial Code (SIC) classification. The second and third columns show the number (and percentage) of residents employed in each category for the project-site area and for the larger community. The data show that project-site residents were concentrated in non-durable manufacturing, retail trade, and health and repair services. Those SIC categories in which project-site residents are most highly represented tend to be among the lower paying classifications. The employment profile of community members is generally similar to that of project-site residents, with a few minor exceptions.

The inventory of businesses in the neighborhood in 1999 shows a significant amount of economic activity occurring near the site. There are three grocery stores within a half-mile of the site, and more along Broadway and Penn Avenue North roughly one mile from Eighth and Emerson. Plymouth, Glenwood, and Broadway represent the locations of most of the nearby retail opportunities for project-site residents. But retail opportunities represent a small portion of the businesses located in proximity to the site. Market Square, to the southeast of the project area, is home to dozens of graphic and design businesses. Industries along Plymouth and Glenwood also operate very close to the project site. There is only one bank located within one mile of the project-site center, at Seventh Street and Olson Memorial Highway. Despite its proximity, it cannot be regarded as a neighborhood branch because it is situated across Lyndale and the freeway (I-94) from the north side, and thus is separated from the community by two sizable physical barriers. Another bank exists on Broadway and Fremont, just outside of the one-mile radius.

Institutions

In addition to the inventory of businesses, a computerized inventory was conducted of community and governmental institutions in the neighborhood. The north side community is home to a number of educational institutions. There are two high schools in the community, Harrison Secondary School at 1510 Glenwood Avenue, and North High School, located at 1500 James Avenue North. Several elementary and middle schools exist in the neighborhood as well, including Bethune, Seed Academy, West Central Academy, Hall Community School, Franklin Middle School, Lincoln Community School, and Ascension School.

The Minnesota Literacy Council, Dunwoody Institute, Summit Academy, and other institutions provide a range of community educational opportunities within a mile of the site. There are also a large number of religious institutions located in the community, including 42 separate places of worship within a one-mile radius of Eighth and Emerson.

The area is served by Bethune Park (immediately west of the project site and north of Olson Memorial Highway) and Harrison Park (west of the site on the south side of Olson Highway). The neighborhood area (one-mile radius) also encompasses North Commons and the playground that straddles Lyndale Avenue at Sixteenth Avenue North.

Table 1. Employment of North Side Community Residents

Standard Industrial Code	Avg. weekly wages (for Minneapolis)	Number of project site residents employed	Number of community residents employed
Agricultural, Forestry, and Fisheries		0 (0)	41 (1)
Mining		0 (0)	0 (0)
Construction	\$912.48	0 (0)	267 (3)
Manufacturing	894.44	126 (25)	1,557 (18)
Durable Goods	873.58	36 (7)	595 (7)
Non-durable Goods	913.74	90 (18)	962 (11)
Transportation	877.34*	44 (9)	475 (5)
Communications and Other Public Utilities	877.34*	15 (3)	140 (2)
Wholesale Trade	899.26	5 (1)	499 (6)
Retail Trade	479.35	87 (17)	1,458 (17)
Services	712.86	321 (45)	4,319 (49)
Finance, Insurance, and Real Estate	—	18 (4)	773 (9)
Business and Repair Services	—	60 (12)	720 (8)
Personal Services	487.09	29 (6)	397 (4)
Entertainment and Recreational Services	690.21	0 (0)	201 (2)
Health Services	746.09	85 (17)	1,042 (12)
Educational Services	487.09	9 (2)	832 (9)
Other Professional and Related Services	—	20 (4)	1,054 (12)
Public Administration	—	0 (0)	400 (5)
Average Time of Journey to Work		13.8	—

Note: Figures in parentheses are column percentages.

*This figure is an average for the combined categories of *Transportation* and *Communications and Other Public Utilities*.

Sources: State Department of Economic Security 1998; Minnesota Department of Economic Security 2000

Residential and Social Profile

Table 2 summarizes census data on the social and economic characteristics of residents of the project site and the community. The project area is the 73-acre site that primarily was home to public housing residents. The data document the extreme concentration of poverty and disadvantage in the project area. A total of 73% of the residents of the project area and 80% of the children living there were below the poverty level in 1990, compared to 18% of residents citywide and 29% of children

Table 2. Profile of North Side Residents

	Project area	Community	Minneapolis
Total number of households	1,484	9,468	160,531
Median household annual income	\$8,015	\$20,928	\$24,324
Poverty			
Total population below the poverty level	3,490 (73)	8,136 (34)	65,556 (18)
Children below the poverty level 0-17	1,919 (80)	3,938 (46)	13,524 (29)
Annual income (households)	1,484	9,456	160,531
Less than \$15,000	1,130 (76)	3,764 (40)	47,570 (30)
\$15,000 to 24,999	250 (17)	1,591 (17)	31,739 (20)
\$25,000 to 34,999	68 (5)	1,464 (16)	25,313 (16)
\$35,000 to 49,999	28 (2)	1,308 (14)	26,006 (16)
\$50,000 to 74,999	8 (.5)	891 (9)	19,060 (12)
\$75,000 or more	0 (0)	438 (5)	10,843 (7)
Members of the workforce employed	498 (62)	9,891 (89)	192,508 (93)
Persons on public assistance	906 (61)	2,053 (22)	16,933 (11)
Female-headed households	606 (41)	2,175 (23)	20,455 (26)
Education level (persons aged 25 and over)	1,951	14,758	243,676
Less than high school	684 (35)	1,663 (11)	15,931 (7)
Some high school	513 (26)	2,301 (16)	26,517 (11)
High school degree	453 (23)	4,055 (28)	62,004 (25)
Some college	201 (10)	2,899 (20)	65,396 (27)
College degree	20 (1)	2,269 (15)	50,121 (21)
Post-graduate degree	12 (.6)	891 (6)	23,707 (10)
Percentage high school graduate or higher	38.6%	73.1%	82.6%
Percentage bachelor's degree or higher	1.6%	21.4%	30.3%
Age (total population)	4,900	24,591	363,383
Below 18	2,414 (49)	7,556 (31)	87,138 (24)
18-24	535 (11)	2,277 (9)	38,598 (10)
25-34	696 (14)	4,928 (20)	85,827 (23)
35-54	827 (17)	5,823 (24)	86,358 (25)
55 and older	428 (9)	4,007 (16)	70,462 (19)
Race			
White	289 (6)	11,275 (46)	285,409 (77)
Black	2,257 (46)	11,092 (45)	47,170 (13)
American Indian/Eskimo/Aleut	34 (.7)	631 (3)	11,807 (3)
Hispanic	18 (.4)	717 (3)	7900 (2)
Asian/Pacific Islander	2,295 (47)	1,300 (5)	15,373 (4)

Note: Figures in parentheses are column percentages.

Source: 1990 U.S. Census

citywide. The income distribution was skewed strongly to the bottom end, with 93% of project-site households having incomes less than \$25,000. By comparison, only 50% of households citywide had incomes that low. Predictably, the site had much lower rates of employment compared to the surrounding community and the city as a whole, and much higher rates of public assistance income. The site also had a concentration of female-headed households (41%), much higher than the citywide figure of 26%.

In contrast, the larger north side community in which the project site is located is roughly in line with the city as a whole in household income, labor force participation, and rate of female-headed households. The community surrounding the project site was characterized by relatively high poverty rates, with 34% of the residents and 46% of children living in poverty.

The project site also had significantly more children living there than the surrounding community and the city as a whole (49% of the population, compared to 31% and 24%, respectively). Finally, the project area was home to a largely African American and Southeast Asian population. Together, these groups made up 93% of the population in a city in which, in 1990, they constituted only 17% of the population. The surrounding community was evenly balanced between Black and White residents in 1990.

Housing Market and Conditions

Three methods were used to document the state of the housing market and the conditions of the housing stock on the north side prior to the redevelopment. First, census data from 1990 on the characteristics of the housing stock were used. These data are shown in Table 3. Second, interviews

Table 3. Housing Stock for Project Area and Community, 1990

	Project Site	Community	Minneapolis
Number of housing units	1,734	10,827	172,666
Owner-occupied units	50 (3)	3,255 (30)	79,845 (46)
Median value of single-family homes	\$48,900	\$42,642	\$71,500
Less than \$75,000	50 (100)	2,286 (70)	41,337 (64)
From \$75,000 to \$125,000	0 (0)	797 (25)	19,334 (30)
From \$125,000 to \$200,000	0 (0)	157 (5)	2,884 (4)
More than \$200,000	0 (0)	15 (.5)	2,101 (3)
Year of construction			
Before 1940	237 (14)	5,608 (52)	91,816 (53)
Between 1940 and 1979	1,102 (64)	4,401 (41)	70,835 (41)
Since 1980	395 (23)	818 (8)	10,463 (6)
Unit size			
0-1 bedroom	884 (51)	3,514 (33)	57,638 (33)
2 bedrooms	600 (35)	3,218 (30)	54,433 (32)
3 or more bedrooms	250 (14)	2,746 (25)	60,595 (35)
Rental costs for rental units (per month)	1,428	5,018	80,699
Less than \$300	1,131 (79)	1,616 (32)	16,458 (20)
Between \$300 and \$499	230 (16)	1,686 (34)	31,394 (38.9)
Between \$500 and \$749	40 (3)	1,343 (27)	20,619 (26)
More than \$750	0 (0)	310 (6)	4,892 (6)

Note: Figures in parentheses are column percentages.

Source: 1990 U.S. Census

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were conducted with realtors and other housing professionals to get their perceptions about the state of the housing market and trends occurring in the late 1990s. Finally, a windshield survey of the entire neighborhood (one-mile radius from Eighth Street and Emerson Avenue North) was conducted to document the nature and quality of the housing stock (see Appendix 1).

The housing stock on the north side is relatively new by city standards. Using the City of Minneapolis neighborhood definition of the Near North neighborhood, one finds that by 1990, only 30% of the neighborhood's housing stock had been built prior to 1940, compared to 53% for the entire city of Minneapolis. The median year of construction for homes in Near North is 1963, compared to 1940 for the city as a whole. Most of the new housing, however, is rental housing. Less than 40% of the rental units are pre-1940, compared to more than 60% of the owner-occupied units.

As the second poorest community in Minneapolis, and as the center of the African American community, the Near North neighborhood has not been well served by the real estate industry during the past several decades. At the time of the consent decree signing, the community had the image of one racked by extreme and concentrated poverty, and high levels of gang and drug activity. Consequently, real estate activity in the area was minimal. Obtaining conventional financing for mortgages or for home improvements was difficult. Sales prices and home values were very low, far below the city and regional averages, and they were stagnant and in some cases declining.

Real estate companies generally did not do business in Near North. As one realtor told us, "it would be absolutely suicidal for an office to open to just serve north Minneapolis, because they just wouldn't make it." Camden Realty and Twin Cities Realty, companies that specialize in north Minneapolis real estate, are the two exceptions. Otherwise, the area was typically ignored by realtors and lenders. According to a 1988 study, less than 30% of all home loans in Near North were made by banks and thrift institutions, putting the neighborhood, along with eight others, in the lowest ranking category in the city (Klauda and St. Anthony 1990). Contract-for-deed mortgages were common in the area, as were both conversions of single-family homes to rental occupancy, and property abandonment and demolition. In 1993, clusters of boarded-up buildings existed just west of the project site extending to Penn Avenue, and north of the project site to Broadway. Even greater concentrations of boarded buildings existed west of Penn and north of Broadway (Leyden 1993). Overcrowded housing conditions stood at a level far above the city's figure. In 1980, 7% of rental units had an occupancy of more than one person per room. In 1990, 13% of rental units were overcrowded in Near North, compared to the citywide figure of 5.5%.

Shortly after the signing of the *Hollman* consent decree, the housing market in Minneapolis and on the north side began to change dramatically. Vacancy rates for rental housing decreased to around 1%, driving up rents and creating a shortage of available affordable housing. In addition, sales prices and property values began to increase significantly. Between June 1999 and July 2000, the median sales price of homes in the Twin Cities set record highs six times (Gendler 2000).

At first, these price and value changes were seen only in the more traditionally attractive neighborhoods in the city. But as those micromarkets tightened, the price increases and quick market-times began to move into the city's north side. The realtors that were interviewed agreed that in 1998, conditions on the north side began to resemble those in the most coveted markets in the city. According to one realtor, between 1998 and 1999 the increase in average prices in the area was around \$15,000, with prices averaging \$75,000 to \$90,000 for existing homes, and well more than \$100,000 for newly constructed homes in the neighborhood. On the north side, the median price rose from less than \$30,000 in 1994 (the lowest in the city) to \$85,000 in 1999, a 185% increase in five years (Brandt 2000a).

A study by the *Minneapolis Star Tribune* shows that according to data from the Multiple Listing Service (MLS), home prices "exploded inside the borders of Minneapolis" between 1997 and 1998. In the entire western metropolitan area, including suburban districts, the north side of Minneapolis

recorded the seventh largest percentage increase in home prices (out of 34 districts). Four of the six districts that exceeded the north side were also areas within Minneapolis. Although price appreciation is almost universal throughout the region, north Minneapolis is among the areas with the highest percentage increases.

Since 1998, as one realtor put it, “as soon as I list something, it’s gone. In years past, I’ve always had about a dozen-and-a-half homes listed this time of year. Now, I can’t keep a listing. There is so much demand that other agents are calling to show the listing before I have a chance to sell it myself.”

The market squeeze on families with low or moderate income is especially tight. This same realtor stated that, for his lower income clients, “there are virtually no vacancies and they feel really desperate to get anything, to find anything they can.... I almost have to look for miracles to help the average person who needs housing.” The director of a group that specializes in lower income housing stated that they no longer list homes the way they used to; they simply “put the houses up for bid because people see them and are trying to get into them.” On one house, they received 30 bids and resorted to a lottery system to sell the home.

The environment of rapidly rising home prices itself has attracted more investment and speculation in the area. The city, and especially the north side, experienced a number of illegal real estate transactions called “flips” in which investors purchase properties and immediately resell them (sometimes within hours) for several times the amount they paid. Such activity requires the collusion of lenders and appraisers, and depends upon the inexperience of lower income, often first-time homebuyers (Brandt 2000b). The north side, an area that had been starved for real estate capital for many years and inhabited by many lower income people, was a perfect environment for flipping. The significance of the practice, for our purposes, is the degree to which it reflects a rapid escalation in home prices in the neighborhood. Flipping does not occur in stagnant or slow markets.

Although realtor informants who were interviewed agreed that the north side market was extremely strong in 1999, they also agreed that some submarkets are stronger than other areas. Areas away from the major transportation arteries tend to be stronger than those on busy thoroughfares. Thus, properties on Penn, Emerson, Fremont, and Lyndale Avenues tend to be less attractive than those a few blocks in. As one leaves the community (as defined in this report) and heads west of Penn Avenue, the area becomes more desirable and the market stronger. The Willard-Hay neighborhood to the west of Penn Avenue is a strong submarket, including the area around North High School (which straddles the border of the Near North neighborhood and Willard-Hay). In addition, the area known as Old Highland, located between Bryant and Girard Avenues north of Plymouth, is also one of the more stable and desirable neighborhoods in the study area, according to interviewees.

It is also clear from the home price data, and from the comments of informants who were interviewed, that although the near north side market is significantly stronger than it has been in the past, relative to most other parts of the city it is still a depressed market. Housing prices are lower on the near north side than elsewhere in the city, and there is still a greater percentage of vacant properties and abandoned homes.

Finally, it is important to note that none of our informants attributed the real estate upswing in the neighborhood to the *Hollman* agreement. That is, none interpreted the current hot market, and even the influx of new capital into the neighborhood, as the result of speculative market activity on the part of those anticipating positive changes due to the *Hollman* redevelopment. At most, one informant saw the *Hollman* redevelopment as reinforcing or complementing the changes taking place in the market, serving as yet another signal to middle-income (primarily African American) families that the neighborhood is changing in positive ways. Thus, the real estate upswing is seen by most as coincidental to the the *Hollman* redevelopment process, not the result of that process. The fact that the entire metropolitan region is experiencing a dramatic upswing in real estate reinforces this conclusion.

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On the other hand, although the increase on the north side is part of a larger market boost occurring throughout the region and the city, the increase in the Near North neighborhood is greater than that of its immediate neighbors. The 185% increase in prices since 1994 is more than twice that seen in the Harrison, Willard-Hay, and Jordan neighborhoods, and more than three times the increase seen in the Hawthorne neighborhood, just across Broadway to the north of the community. Thus, it appears that there are some extenuating factors explaining the dramatic price increases on the near north side. They could include the removal and demolition of older and problem properties in the neighborhood, the drop in crime rate, and the highly publicized demolition of hundreds of units of public housing along Olson Memorial Highway and the promise of significant redevelopment on that site (Brandt 2000a).

There is reason to be cautious about this interpretation, however. The percentage increase in housing prices in the Near North neighborhood was so dramatic, in part, because the starting point, or base, was so low to begin with (the neighborhood had the lowest housing prices in the city in the early 1990s). In the end, it seems that the *Hollman* case has probably had some impact on the nearby housing market, but that most of the increase in prices is part of a larger regional boom taking place.

Development

The north side has been the location of several large-scale urban renewal and redevelopment projects. The public housing that was created on the project site itself was the result of extensive land clearance and redevelopment. Figures 2, 3, and 4 show the dramatic changes in land use that have occurred in and around the project site during the past four decades. Much of the residential and commercial land uses that surrounded the site have given way to industrial uses and freeways that have cut off and isolated the site over time.

North of the site along Plymouth and Broadway Avenues, more large-scale redevelopment has occurred in the past few decades. The neighborhood was the site of extensive riot-related damage during the 1960s. Most of the structures on Plymouth Avenue were burned down during the riots, leaving a substantial amount of vacant or blighted land in the middle of the neighborhood. Broadway, the northern boundary of the neighborhood and the main commercial strip, has received considerable public investment to create a new shopping mall. Plymouth Avenue is the site of the 22-acre Northgate Industrial Park. Just to the southeast of the project site, an old factory was redeveloped into the International Market Square Design Center that is home to a variety of art and design businesses.

The neighborhood has seen significant change by way of Housing and Urban Development (HUD) Section 236 and Section 115, some of which has undergone second-generation rehabilitation in recent years. In the eastern part of the neighborhood is Lyn Park, a 50-acre, 20-block development of 300 units within

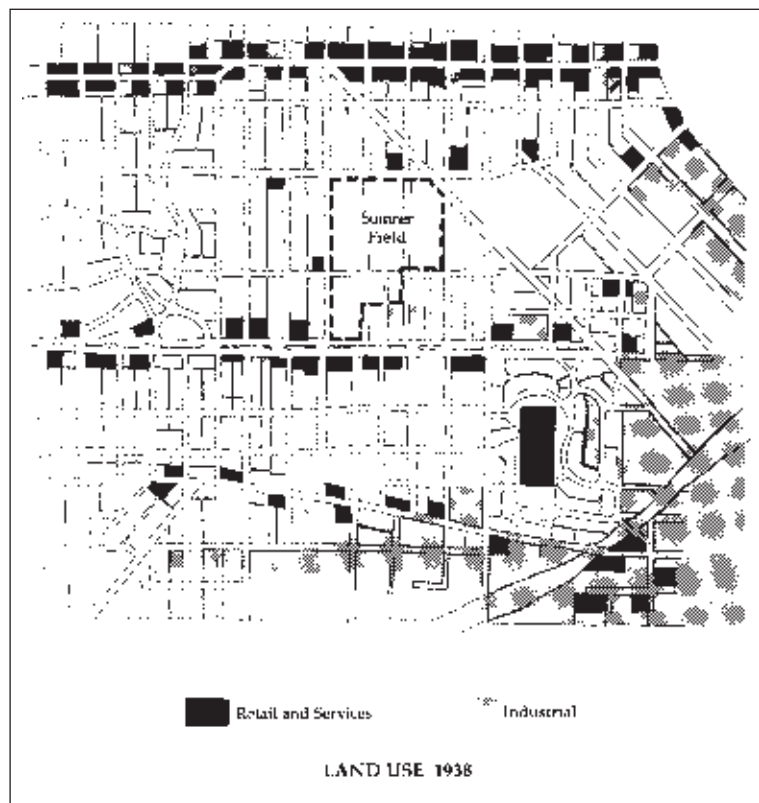


Figure 2. Land Use around the *Hollman* Project Site, 1938

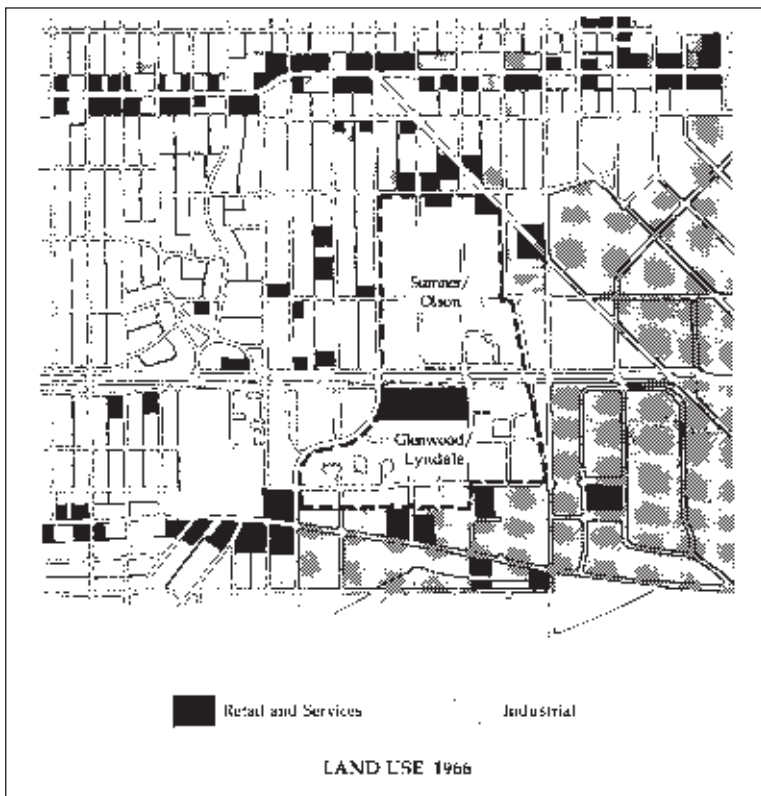


Figure 3. Land Use around the *Hollman* Project Site, 1966

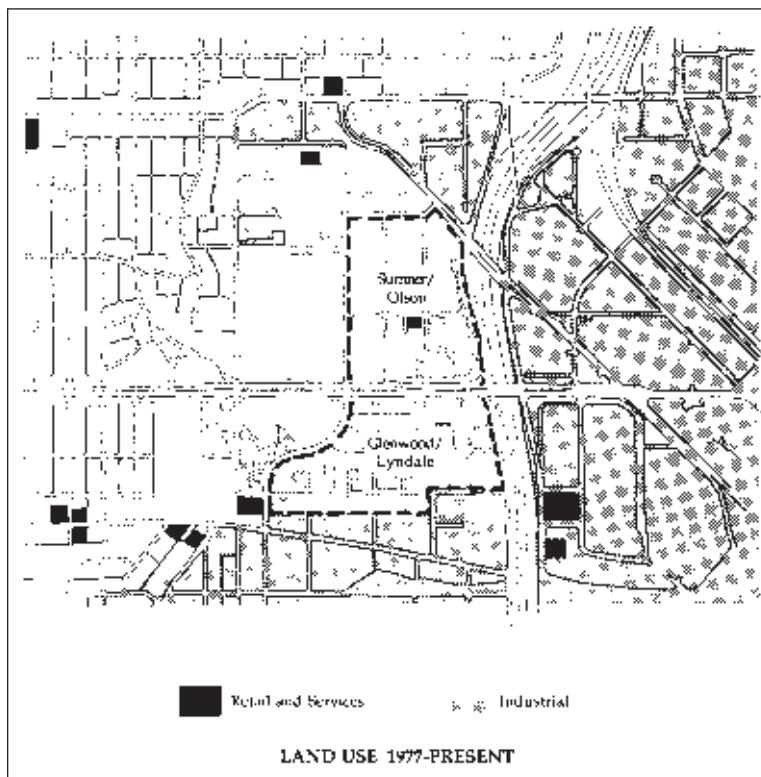


Figure 4. Land Use around the *Hollman* Project Site, 1977 to Present

one mile of downtown. Lyn Park is a total-clearance, suburban-style subdivision with winding roads and single-family housing. Community Development Block Grant funds were used as second mortgages for the sale of the new homes built in Lyn Park. Plymouth Avenue is the location of a large Section 236 apartment complex that has undergone recent rehabilitation.

The concentrated clearance and new construction has created an almost entirely new physical environment in many parts of the near north side. The Lyn Park, Broadway commercial, and Northgate Industrial Park developments are fairly recent, and enjoy a successful reputation.

There is important new development occurring near the project site. For example, the Seed Academy/Harvest Preparatory School broke ground for a \$4.8 million expansion in November 1998, and completed construction in the summer of 1999. School officials maintain that the expansion and the investment in physical structure just down the street from the Sumner site was unrelated to the public housing redevelopment plans. Plans for expansion had been several years in the making.

Building and Demolition Trends

Table 4 shows the number of demolition permits allowed in the north side neighborhood in the last half of the 1990s. Nine neighborhoods are shown to provide a context for demolition activity in the Near North area. This analysis used the neighborhood as defined by the City of Minneapolis (see Figure 1). The Sumner-Glenwood neighborhood corresponds to the project site, while the Near North and Harrison neighborhoods most closely approximate the surrounding areas focused on in this report.

Table 4. Demolitions in North Side Neighborhoods, 1995–1998

	Sumner- Glenwood	Near North	Harrison	Hawthorne	Jordan	Willard- Hay	Cleveland	Folwell	McKinley
1995	0	15	5	32	43	19	2	3	10
1996	0	21	9	31	39	23	3	2	3
1997	16	12	3	6	22	12	6	7	12
1998	51	1	8	12	45	12	1	2	42

The data show that the amount of demolition occurring in the Near North and Harrison neighborhoods surrounding the project site is in the midrange for north Minneapolis neighborhoods. It is less than that which occurred in the neighborhoods just to the north and west (Hawthorne, Jordan, and Willard-Hay), but more than occurred in the mostly residential neighborhoods one step farther north. The exception is the McKinley neighborhood in 1998, where demolition of an entire residential block occurred to make way for the construction of City View Elementary School.

The construction permit data are slightly different. For this, a standard definition of the neighborhood (the one-mile radius from the center of the project site) was used. In Figure 5, new construction trends in this neighborhood are compared to the level of new construction going on in the city as a whole. Unfortunately, data for the last quarter of 1995 and all of 1996 are unavailable.

Nevertheless, the data shown in Figure 5 reveal that construction trends in the early part of the decade mirrored that of the city as a whole, while in the last few years it has not. There have been virtually no new construction permits for the north side neighborhood in the past three years, while permits citywide have been up over previous years.

Bassett Creek Valley Master Plan

In January 1999, the Minneapolis City Council initiated the development of a master plan for the Bassett Creek Valley area. This is the area directly to the south and southwest of the project site, from Glenwood Avenue to Cedar Lake Road and the Bryn Mawr Meadows Park area on the west, south to Interstate 394, and east to Interstate 94. The plan anticipates that the Bassett Creek Valley area will receive some pressure for further development from artists and businesses due to the

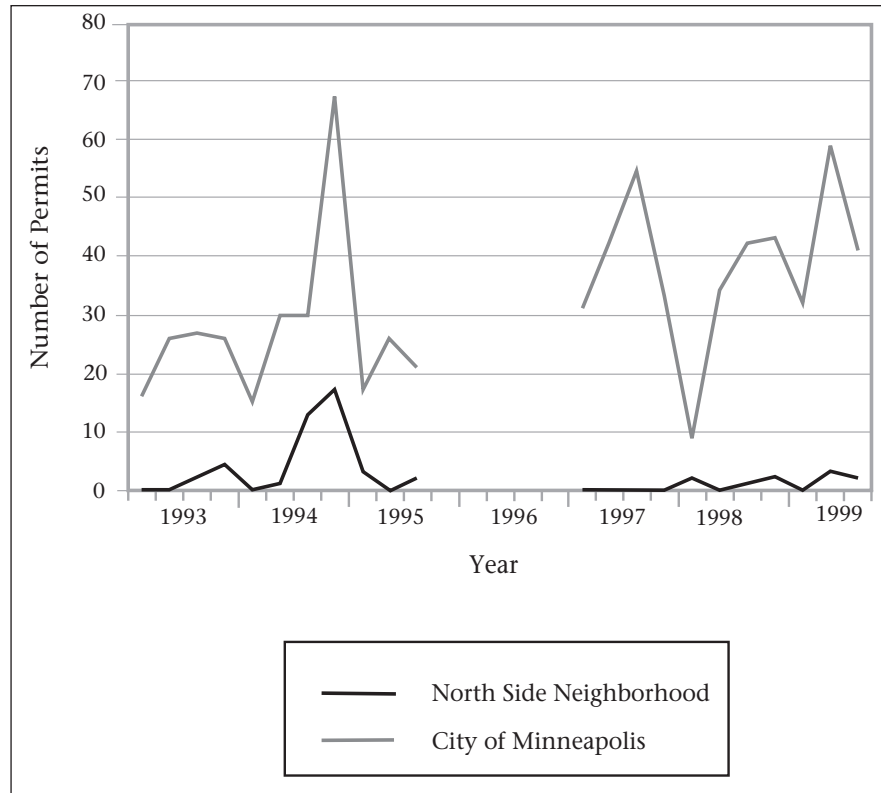


Figure 5. Construction Permits for North Side Neighborhood and City of Minneapolis, 1993–1999

Note: Data were unavailable for the last quarter of 1995, all of 1996, and the last quarter of 1999.

expansion of the Warehouse District to the east. The plan envisions the Bassett Creek Valley providing “one of the grandest entrances to the City of Minneapolis. The new meandering waters of the Bassett Creek Valley, its open spaces and delightful streets will once again integrate a diverse community into the full fabric of the City” (City of Minneapolis Planning Department 2001). This vision will require a significant alteration of current land uses, the cleanup of polluted soils, the restoration of the creek itself, and the revitalization of Glenwood Avenue.

Land-Use Survey

Figure 6 shows the land-use patterns in the study area prior to the redevelopment of the project site. The figure indicates the predominantly residential character of the project site and the surrounding neighborhood. It also reveals how the project site is ringed by industrial uses to the north and south, and how it is separated from residential areas to the west by a combination of industrial and institutional land uses. The map is truncated on the east and south where the interstates and the railroad tracks serve as boundaries to the neighborhood.

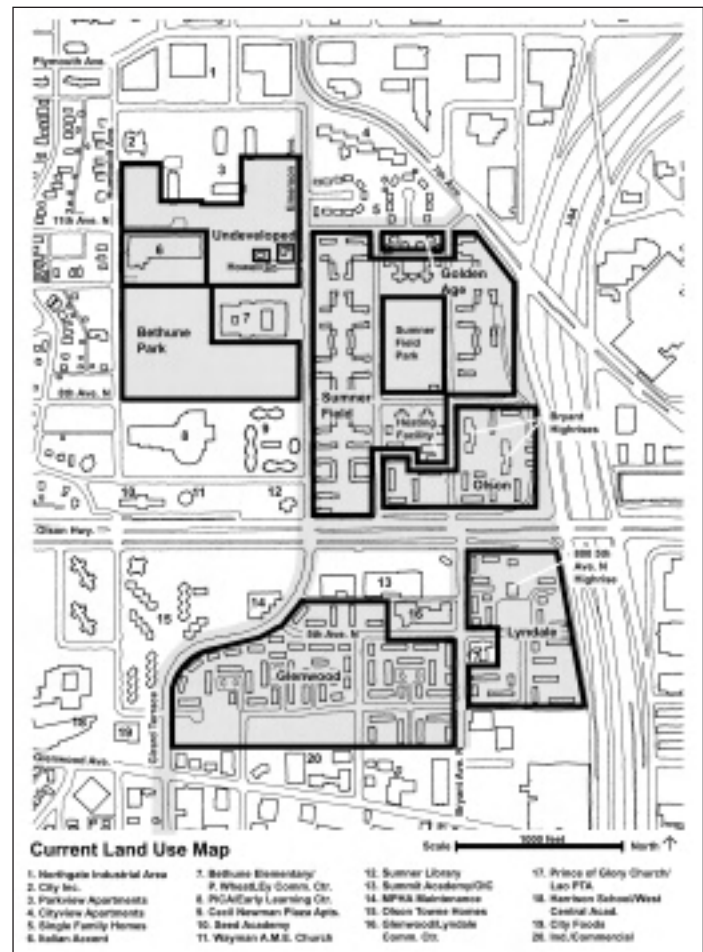


Figure 6. Land-Use Map of North Side Neighborhood, 1995

Windshield Survey

In the summer of 1999, the neighborhood (one-mile radius) around the *Hollman* project site was examined using a windshield survey of the built environment. The rationale behind the windshield survey was to establish the baseline for the study of housing stock in the community prior to redevelopment. The survey will be repeated in subsequent years to draw a comparison with the earlier figures. The boundaries of the survey are roughly Golden Valley Road and Broadway Avenue to the north, Thomas Avenue on the west, Chestnut Avenue on the south, and Interstate 94 on the east (see Appendix 1 for a full explanation of methods for the survey).

For each block in each ring and quadrant, data were collected on residential and land-use characteristics (see Table 5). For example, the data show that in the first ring there is an average of .91 multifamily buildings per block. In other words, there is a multifamily building every 1.1 blocks in ring 1. Because this is the more intuitive way of understanding the distribution of building types, the following discussion uses the figures shown in parentheses in the table. Thus, the occurrence of multifamily buildings in ring 1 can be compared to ring 2, where there is a multifamily building every one-and-a-half blocks, and ring 3, where there is one every 3.6 blocks.

The windshield survey reveals a number of patterns. The ring immediately surrounding the project site has relatively fewer residential blocks than the rest of the neighborhood (see Table 5). This reflects the presence of the industrial centers on Plymouth and Glenwood Avenues, which border the site on the north and south. The area immediately surrounding the site also has lower concentrations of multifamily buildings compared with the outer ring of the neighborhood, a lower concentration of

Table 5. Building Stock Characteristics by Ring

	Ring 1	Ring 2	Ring 3
Residential blocks	45 (75%)	103 (90%)	94 (90%)
Multifamily buildings	.91 (1.1)	.65 (1.5)	.28 (3.6)
Duplexes	.44 (2.3)	1.03 (1.0)	.62 (1.6)
Evidence of rehabilitation	.33 (3.0)	.71 (1.4)	.62 (1.6)
Boarded homes	.16 (6.25)	.26 (3.8)	.32 (3.1)
Side lots	.09 (11.1)	.21 (4.8)	.17 (5.9)
For sale	.09 (11.1)	.13 (7.7)	.09 (11.1)
Mean rating for residential buildings	1.89	1.82	1.62
Total number of blocks	60	114	104
Parks	.05 (20)	.05 (20)	.07 (14.3)
Schools	.10 (10)	.07 (14.3)	.04 (25)
Daycare facilities	.02 (50)	.06 (16.7)	.02 (50)
Churches	.05 (20)	.15 (6.7)	.11 (9.1)
Commercial properties	.58 (1.7)	.36 (2.8)	.58 (1.7)
Parking facilities	.10 (10)	.14 (7.1)	.11 (9.1)
Vacant lots	.92 (1.1)	.95 (1.1)	.51 (2)
Corner lots	.07 (14.3)	.25 (4)	.13 (7.7)

Note: Unless otherwise indicated, the numbers are mean-per-block rates. The figures in parentheses indicate the number of blocks per item.

Table 6. Building Stock Characteristics by Quadrant

	Quadrant 1 (northeast of project site)	Quadrant 2 (northwest of project site)	Quadrant 3 (southwest of project site)	Quadrant 4 (southeast of project site)
Residential blocks	35 (76%)	111 (95%)	90 (90%)	3 (7%)
Multifamily buildings	.31 (3.2)	.59 (1.7)	.63 (1.6)	1.0 (1.0)
Duplexes	.60 (1.7)	.89 (1.1)	.72 (1.4)	.00 (0)
Evidence of rehabilitation	.49 (2.0)	.65 (1.5)	.67 (1.5)	.00 (0)
Boarded homes	.23 (4.3)	.29 (3.4)	.29 (3.4)	.33 (3.0)
Side lots	.06 (16.7)	.16 (6.25)	.23 (4.3)	.00 (0)
For sale	.00 (0)	.12 (8.3)	.14 (7.1)	.00 (0)
Mean rating for residential buildings	2.11	1.88	1.78	2.00
Total number of blocks	46	117	99	13
Parks	.06 (16.7)	.09 (11.1)	.06 (16.7)	.00 (0)
Schools	.11 (9.1)	.07 (14.3)	.05 (20)	.00 (0)
Daycare facilities	.02 (50)	.05 (20)	.04 (25)	.00 (0)
Churches	.04 (25)	.13 (7.7)	.14 (7.1)	.08 (12.5)
Commercial properties	1.35 (.74)	.41 (2.4)	.29 (3.4)	.08 (12.5)
Parking facilities	.20 (5.0)	.15 (6.7)	.05 (20)	.15 (6.7)
Vacant lots	.33 (3.0)	1.08 (.92)	.64 (1.6)	.23 (4.3)
Corner lots	.06 (16.7)	.43 (2.3)	.15 (6.7)	.00 (0)

Note: Unless otherwise indicated, the numbers are mean-per-block. The figures in parentheses indicate the number of blocks per item.

existing housing rehabilitation, and relatively fewer boarded homes than the rest of the neighborhood. The quality of the housing stock actually declines a bit as one moves away from the project site; the mean rating for residential buildings in the first ring is 1.89, while the mean rating for homes farthest away (ring 3) is 1.62.

There are a few significant differences in land use nearer the project site compared to the rest of the neighborhood. Churches are less common (one every twenty blocks compared to one every nine blocks in the outermost part of the neighborhood), and schools are more common (one every ten blocks compared to one every twenty-five blocks in the outlying part of the neighborhood). But the concentration of commercial and parking facilities does not vary much by distance from the project site. Throughout the entire neighborhood, however, there are many vacant lots; they occur at a rate of more than one every two blocks.

Table 6 shows the patterns by quadrant. The western part of the neighborhood is almost exclusively residential, with 95% of the blocks in the northwestern quadrant and 90% of the blocks in the southwestern quadrant predominantly residential. The southeastern quadrant is virtually all nonresidential. The northeastern part of the neighborhood has relatively fewer multifamily buildings than other parts of the neighborhood, and the housing stock is slightly better, receiving a mean rating of 2.11, compared to ratings of 1.88 and 1.78 for the two western quadrants. The heavily residential areas to the west of the site also have a higher incidence of vacant lots, boarded homes, and open corner lots compared to the area northeast of the site.

SURVEY OF NEIGHBORHOOD RESIDENTS

In April 1999, questionnaires were sent to randomly selected residents living within a one-mile radius of the center of the project site (see Appendix 2). Respondents answered questions about their overall satisfaction with their neighborhood, its general appearance, and their feelings of safety, and rated their neighborhood as a place to live. Respondents were also asked about the importance of several recent developments or events affecting the north side, including the recent demolition of more than 300 public housing units at the project site. (At the time the survey was conducted, demolition of the Glenwood and Lyndale public housing units south of Olson Memorial Highway had not begun.) Mailing and data collection were conducted from April 2 to August 30, 1999. Questionnaires were completed and returned by 207 north side residents, for a response rate of 37%. Survey responses were geo-coded for proximity to the project site, allowing us to measure how close to the project each respondent lived.

Sampling Design

The objective of this survey was to determine the impact of the north side redevelopment on people's satisfaction, sense of safety, and confidence in the neighborhood. A stratified random sample of household addresses was selected from among residents living within a one-mile radius of the project site. Equal numbers of households were selected for three concentric rings within the one-mile radius: those living within one-quarter mile, between one-quarter mile and one-half mile, and more than one-half mile. Because of the stratified sample, the responses analyzed here were weighted. Although equal numbers were sampled from each ring, there are more households in the second ring compared to the first, and in the third ring compared to the first two. Therefore, weighting the responses was necessary to get a comprehensive and accurate accounting of all residents within the neighborhood.

Because the project site itself is so large (73 acres), a one-quarter-mile radius from the center of the site did not produce a large number of addresses or respondents. Thus, for this analysis, the first two rings are combined, thereby dividing the sample into those living within one-half mile of the site center and those living between one-half mile and one mile away. When possible, actual distance from the corner of Eighth Street and Emerson Avenue North was used.

Demographics

According to the survey, 70% of the respondents were people of color, with African Americans being the largest single group (see Table 7). Just under one-half of the respondents considered themselves African American, 30% White, 13% Asian, 1% Hispanic/Latino, 5% Mixed (no dominant racial identification), and 1% Other.

More than half (57%) of the respondents were female, and homeowners comprised 59% of the group. The average term of residency for the respondents was nine years, although just more than one-third reported tenures of three years or less. The average is driven upward by a small group of respondents who have lived in their current homes for very long periods (12% of respondents have lived in their homes for more than 20 years, 5% for more than 30 years). The average length of residence was 11 years for homeowners and 5 years for renters, a difference that is statistically significant ($t = 4.01, p < .001$).

Table 8 lists the marital status of respondents. Thirty-nine percent of the respondents were single, 38% married, 13% divorced, 4% separated, and 4% widowed. With respect to household size, nearly half of the respondents (49%) lived in small households of only one or two people (see Table 9). At the other end of the spectrum, one in four respondent households (24%) consisted of five or more people. Two-person households were the single largest group among respondents (29%). Just under half of the responding households reported having no children (47%), and another third had one or two children.

The average age of the respondents was 45 years, with 22% of the respondents younger than 34 and 22% older than 55 (see Table 10). More than one-half (54%) of the respondents had some college education or higher, while 13% had not finished high school. One-third of the households had an annual income of less than \$20,000, and another third earned between \$20,000 and \$39,999 per year (Tables 10, 11, and 12).

The question arises, of course, as to how closely the sample of respondents reflects the entire population of the north side area. A comparison of the demographics of the survey respondents to the figures from the census for the entire community is problematic, however, primarily because the census data are almost 10 years old. Furthermore, because of the random selection of the sample,

Table 7. Racial Makeup of Respondents

What race do you consider yourself?	
African American	72 (49%)
White/Caucasian	43 (30%)
Asian	19 (13%)
Mixed	7 (5%)
Hispanic/Latino	2 (1%)
Other	2 (1%)
American Indian	0 (0%)

Table 8. Marital Status of Respondents

What is your marital status?	
Single	57 (39%)
Married	55 (38%)
Separated	6 (4%)
Divorced	14 (13%)
Widowed	6 (4%)
Other	3 (2%)

Table 9. Respondents' Household Size and Number of Children Under Age 19

Household size		Number of children	
1	29 (20%)	0	65 (47%)
2	42 (29%)	1	22 (16%)
3	22 (15%)	2	23 (17%)
4	20 (14%)	3 or more	29 (20%)
5	14 (10%)		
6 or more	19 (14%)		

Table 10. Age of Respondents

Respondent's Age	
0-24	5 (3%)
25-34	34 (22%)
35-54	72 (53%)
55 and older	30 (22%)

Table 11. Education Levels of Respondents

Education completed	
Less than high school	6 (5%)
Some high school	12 (8%)
High school graduate	23 (17%)
Some technical school	12 (8%)
Some college	36 (26%)
College graduate	19 (14%)
Postgraduate	15 (11%)
Other	5 (3%)

Table 12. Household Income Levels of Respondents

Income before taxes	
Less than \$10,000	21 (15%)
\$10,000 to \$19,999	25 (18%)
\$20,000 to \$29,999	28 (20%)
\$30,000 to \$39,999	17 (13%)
\$40,000 to \$49,999	14 (10%)
More than \$50,000	32 (23%)

survey respondents should closely resemble the makeup of the entire area from which they were selected. However, the relatively low response rate (37%) introduces the possibility of nonresponse bias—that is, those who did not respond to the questionnaire were systematically different from those who did. One way of estimating nonresponse bias is to examine the speed with which respondents returned questionnaires. It can be assumed that those who took a long time to respond (those who were reluctant to mail back the questionnaire) are similar to those who did not respond at all. If the length of time it took respondents to return the questionnaire is significantly related to any of the demographic variables collected, then it is possible that nonresponse also was related to that trait.

Tests were done to determine whether the length of time taken to respond to the survey was related to any of the demographic traits measured in the questionnaire. For age,

income, education, length of residency, homeownership, household size, and sex, no relationships were found. There was one variable, however, that was related to the length of time taken to respond. African American respondents took significantly longer to return surveys than did White respondents. (There were no statistically significant differences between African American and Asian respondents, or between Asian and White respondents.) Thus, it is reasonable to conclude that our sample of survey respondents may include a smaller percentage of African American relative to White respondents than actually exists in the area’s population. If any of the answers to substantive questions differ between African American and White respondents, then our estimates of those answers for the entire neighborhood may also be somewhat biased.

Respondents’ Attitudes and Beliefs about the North Side

The objective of this initial survey was to establish a baseline of residents’ attitudes against which to compare later findings drawn from a study after redevelopment of the project site. It was hypothesized that the redevelopment could potentially have an impact on five dimensions of neighborhood living: (1) the level of neighborhood satisfaction reported by residents, (2) residents’ sense of safety, (3) residents’ confidence in the future direction of the neighborhood, (4) the psychological sense of community felt by residents, and (5) the level of social capital in the community. In addition, it was hypothesized that if there are changes in the neighborhood on any of these five dimensions and these changes are indeed the result of the *Hollman* redevelopment, then the magnitude of the changes should be greater for respondents who reside closer to the project site. Thus, in addition to collecting information on the items described above, this analysis will consider the degree to which they are correlated with distance from the project site.

Neighborhood Satisfaction

One series of questions asked of north side residents related to their sense of satisfaction with the neighborhood as a place to live, with the general appearance of the neighborhood, and with services

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in the neighborhood. Table 13 shows the respondents' overall satisfaction with the neighborhood. Just more than half reported being either somewhat or very satisfied with the neighborhood. Twelve percent chose a neutral response (neither satisfied nor dissatisfied), and just more than one-third answered that they were dissatisfied.

The general appearance of the neighborhood was most frequently reported by the respondents as good (46%) and poor (39%). Again, just more than half (52%) of the respondents rated the appearance of the neighborhood as very good or good, while 48% regarded it as poor or very poor (see Table 14).

Respondents were also asked to rate their neighborhood as a place to live. Only 10% rated the neighborhood as a very good place to live, 52% rated it good, 31% poor, and 7% rated it a very poor place to live.

Table 15 shows the responses to questions related to respondents' satisfaction with specific services available in the neighborhood, or with other specific aspects of their neighborhoods. The items showing the highest level of satisfaction are public transportation (71% either satisfied or very satisfied) and items related to size, cost, and quality of the homes of the respondents (more than two-thirds of respondents indicated satisfaction with each of these items). The lowest levels of satisfaction are for the number of jobs (only 18% satisfied or very satisfied), the variety of shops and services in the neighborhood (25% satisfied or very satisfied), and the number of grocery stores and childcare facilities (both with 31% satisfied or very satisfied).

Table 13. Respondents' Level of Satisfaction with the Neighborhood

Overall, how satisfied are you with the neighborhood?	
Very satisfied	20 (14%)
Somewhat satisfied	56 (38%)
Neither satisfied nor dissatisfied	17 (12%)
Somewhat dissatisfied	32 (22%)
Very dissatisfied	20 (14%)

Table 14. Respondents' Rating of Neighborhood's General Appearance

How would you rate the general appearance of your neighborhood?	
Very good	9 (6%)
Good	67 (46%)
Poor	57 (39%)
Very poor	13 (9%)

Table 15. Respondents' Level of Satisfaction with Neighborhood Characteristics

Rate your level of satisfaction with the following aspects of your neighborhood:	Very satisfied	Satisfied	Neither satisfied nor dissatisfied	Dissatisfied	Very dissatisfied	Mean
Public transportation	31 (22)	70 (49)	30 (21)	7 (5)	5 (4)	2.20
Schools	13 (9)	59 (42)	51 (36)	11 (8)	7 (5)	2.57
Safety	4 (3)	44 (30)	30 (21)	47 (33)	19 (13)	3.24
Racial makeup	13 (9)	69 (48)	44 (31)	15 (10)	8 (6)	2.59
Number of jobs	4 (3)	21 (15)	50 (35)	41 (29)	32 (22)	3.46
Variety of shops and services	7 (5)	28 (20)	27 (19)	49 (34)	32 (22)	3.5
Hospitals or clinics	12 (9)	41 (29)	38 (28)	30 (21)	17 (12)	2.99
How near you live to your friends	14 (10)	46 (32)	53 (37)	23 (16)	8 (6)	2.77
Available childcare	13 (9)	31 (22)	74 (53)	11 (7)	12 (9)	2.85
Grocery stores	6 (9)	32 (22)	21 (15)	43 (30)	40 (28)	3.56
Playgrounds and parks	13 (9)	59 (38)	40 (28)	21 (14)	15 (10)	2.79
Size of home/apartment	32 (22)	75 (52)	14 (10)	13 (9)	10 (7)	2.25
Cost of home/apartment	38 (26)	65 (45)	20 (14)	13 (9)	8 (6)	2.23
Quality of home/apartment	30 (20)	68 (47)	21 (15)	15 (11)	10 (7)	2.36

Note: Figures in parentheses are row percentages. The lower the mean response, the greater the level of satisfaction.

Table 16. Respondents' Level of Satisfaction with Neighborhood Services

How satisfied are you with how close you live to...	Very satisfied	Satisfied	Neither satisfied nor dissatisfied	Dissatisfied	Very dissatisfied	Mean
nearest supermarket or grocery store?	18 (12)	47 (33)	26 (18)	28 (19)	26 (18)	2.97
nearest hospital or clinic?	19 (14)	62 (43)	27 (19)	21 (15)	13 (9)	2.62
your friends?	15 (11)	54 (38)	43 (30)	21 (15)	8 (6)	2.67
your church?	28 (21)	51 (37)	42 (31)	8 (6)	8 (6)	2.39
nearest playground or park?	28 (20)	66 (47)	25 (18)	15 (10)	9 (6)	2.33
your bank?	20 (14)	68 (48)	30 (21)	15 (10)	9 (6)	2.46
nearest bus route?	53 (37)	69 (49)	16 (11)	2 (1)	2 (1)	1.80
school?	25 (18)	62 (44)	45 (32)	4 (3)	5 (3)	2.30
community center?	19 (13)	56 (39)	50 (35)	10 (7)	6 (4)	2.49
social services?	10 (7)	56 (39)	58 (41)	11 (8)	6 (4)	2.63

Note: Figures in parentheses are row percentages. The lower the mean response, the greater the level of satisfaction.

The mean response rates listed at the far right of the table provide a shorthand way of comparing the relative degree of satisfaction across items. The higher the mean response, the less satisfaction indicated by the respondents. A value of 3.00 represents the neutral “neither satisfied nor dissatisfied” category. If the mean is below 3.00, it indicates that the average response was toward satisfaction; when the mean is above 3.00, it indicates the average was toward dissatisfaction. Only four items averaged a “dissatisfied” response: number of jobs, grocery stores, variety of shops and services, and safety of neighborhood.

Respondents were also asked how satisfied they were with the proximity of each item to their place of residence. This question gets at the locational advantages and disadvantages of the north side. For example, when asked about their satisfaction with the location of the nearest grocery store, respondents gave a mean response of 2.97 (see Table 16). But when asked to evaluate their satisfaction with the grocery store(s) in their community, respondents gave a mean response of 3.56 (see Table 15). This means that respondents were less concerned about the location of grocery stores in the neighborhood than they were with the quality of those stores (difference in means is significant at $p < .001$). This pattern is repeated for three other items—schools, hospitals and clinics, and parks. In each case, respondents indicated significantly greater satisfaction with the proximity of those services and amenities than they did with the quality of those items.

In general, there is a fairly high level of satisfaction with residents' proximity to the items listed in Table 16. The only items listed for which less than half of the respondents expressed satisfaction are proximity to grocery store, friends, and social services. For all other issues, more than half of the respondents indicated they were very satisfied or satisfied. The highest dissatisfaction was for grocery stores (37%), hospitals/clinics (24%), and friends (21%).

Safety

A second important indicator of how residents feel about their communities is their reported sense of safety. Several questions asked residents about their general feelings of safety, safety in specific areas, and how strongly they felt about certain crime problems.

Although a majority of respondents reported they feel safe (52%) or very safe (7%) in their neighborhood, more than two out of every five respondents reported feeling unsafe in the Near North community. This represents a high level of concern about crime and personal safety (see Table 17).

When asked in greater detail, almost two-thirds (61%) of the respondents said they feel very safe, and more than half indicated feeling safe about the streets during the day (Table 18). For the streets

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near their home at night, 16% reported feeling very safe and 54% safe. According to the survey, people feel even less safe about the streets near the neighborhood school, with 13% of the respondents choosing “very safe” and 54% “safe.”

There are several other issues about which residents expressed a high level of concern (see Table 19). More than one-third of the respondents felt that drug dealers and litter/garbage on the streets were “major problems” in the neighborhood. Just under one-third of respondents cited run-down properties and neglected yards as major problems. Racial intolerance and graffiti were regarded as less of a problem compared to the other issues listed. The higher the mean response to a given item, the less of a problem the respondents felt it to be. The data show that on average, respondents considered drug dealing and litter and garbage to be the most problematic neighborhood conditions.

Confidence

The third set of beliefs and behaviors examined were those related to respondents’ sense of confidence in the neighborhood (Table 20). In answer to the direct question, the majority of respondents reported being very confident or somewhat confident that their neighborhood will be a nice place to live in the next five years. About 17% were very confident and 45% were somewhat confident. However, a significant number of respondents indicated that they were either not very confident (27%) or not at all confident (11%).

Table 17. Degree of Safety in Neighborhood

Overall, how safe do you feel in your neighborhood?	
Very safe	10 (7%)
Safe	74 (52%)
Unsafe	45 (31%)
Very unsafe	15 (10%)

Table 18. Other Questions about Neighborhood Safety

Where you live now, how safe are the streets...	Very safe	Safe	Neither safe nor unsafe	Unsafe	Very unsafe	Mean
near your home during the day?	15 (11)	70 (50)	33 (23)	19 (13)	6 (4)	2.52
near your home at night?	7 (5)	36 (25)	37 (26)	35 (25)	27 (19)	3.28
near your neighborhood school?	6 (4)	39 (29)	56 (40)	29 (21)	10 (7)	2.98

Note: Figures in parentheses are row percentages. The lower the mean response, the greater the feeling of safety.

Table 19. Degrees of Neighborhood Problems

In your neighborhood, how much of a problem are the following:	Major problem	Moderate problem	Minor problem	Not a problem	Mean
Graffiti or writing on the walls	9 (6)	44 (31)	61 (43)	26 (19)	2.75
People drinking alcohol in public	30 (21)	43 (30)	48 (33)	23 (16)	2.45
Drug dealers or users	50 (35)	44 (31)	31 (22)	17 (12)	2.10
Abandoned buildings	32 (23)	51 (36)	31 (22)	26 (19)	2.36
Litter and garbage on streets	60 (42)	36 (25)	35 (24)	13 (9)	2.00
Vandalism	28 (20)	46 (33)	44 (32)	20 (14)	2.41
Yards not taken care of	44 (30)	36 (25)	40 (27)	24 (17)	2.31
Run-down properties	45 (31)	32 (22)	45 (31)	22 (15)	2.30
Noisy neighbors	37 (26)	31 (22)	37 (26)	38 (27)	2.54
Racial intolerance or discrimination	21 (15)	27 (19)	42 (30)	51 (36)	2.87

Note: Figures in parentheses are row percentages. The lower the mean response, the greater the perceived problem.

Just under half of the respondents felt that property values are increasing a lot (15%) or a little (33%). This shows awareness of the market trends that were discussed earlier in the report, but may also be part of the respondents' sense of confidence in the area. Only 13% felt that values were decreasing (see Table 21).

Of the residents who responded, 16% thought the neighborhood was getting to be a much better place to live, 32% thought it was becoming somewhat better, 35% felt it was staying the same, and 17% thought it was getting somewhat worse or much worse (see Table 22).

An alternative way of measuring residents' sense of confidence in the neighborhood is to measure the degree to which they have made improvements in their own properties in recent years. Among all of the homeowner respondents, 55% reported having made major improvements to their house during the last two years, and 64% plan to do so in the next two years. This suggests a fairly high level of commitment to the neighborhood.

Despite the generally confident feeling about their neighborhood, one-quarter (26%) of the respondents reported that they planned to move in the next year, and an additional 22% were not sure if they would stay. The high level of planned mobility is related to the high number of renters in the neighborhood. Among renters, almost 50% plan to move in the next year, compared to only 10% of homeowners.

Sense of Community

The psychological sense of community felt by neighborhood residents has been studied extensively, and has been recognized as having an extraordinary impact on neighborhood changes. The concept has been measured in various ways. Nasar and Julian (1995) developed a method of testing the sense of community based on a simplification of previous methods. They argue that by asking a set of 11 specific questions, one is able to get a valid and reliable estimate of sense of community. Those questions were incorporated into the survey given to north side residents. Table 23 shows the answers to the 11 questions. It will be most useful to examine whether the scores differ by proximity to the project site, whether they vary according to demographic attributes, or whether (after the post-test survey is completed) they change over time.

Based on the answers summarized in Table 23, a sense-of-community scale was created by taking the average response to the 11 questions. This variable can be thought of as a summary measure of a respondent's sense of community. In this particular case, a lower score represents a stronger sense of community.

Table 20. Respondents' Level of Confidence about Neighborhood

How confident are you that your neighborhood will be a nice place to live in the next five years?	
Very confident	25 (17%)
Somewhat confident	66 (45%)
Not very confident	40 (27%)
Not at all confident	16 (11%)

Table 21. Respondents' Feelings about Neighborhood Property Values

How much are property values changing in your neighborhood?	
Increasing a lot	21 (15%)
Increasing a little	46 (33%)
Staying about the same	29 (20%)
Decreasing a little	10 (7%)
Decreasing a lot	9 (6%)
Don't know	28 (19%)

Table 22. Respondents' Feelings about Neighborhood Change

Is your neighborhood getting to be a better or worse place to live?	
Getting much better	24 (16%)
Getting somewhat better	47 (32%)
Staying about the same	51 (35%)
Getting somewhat worse	13 (9%)
Getting much worse	12 (8%)

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The distribution of scale scores for sense of community approximates a normal distribution. The average score on the scale is 2.85, the median score (the number that half of the scores fall above and half fall below) is 2.82, and the mode (the most frequent score) is 2.55.

The sense-of-community index is negatively correlated with whether respondents own their homes or not ($t = -3.50$, $p = .001$). This indicates that homeowners have a stronger sense of community than renters. The sense of community is also stronger when general feeling of satisfaction ($p < .001$), general feeling of safety ($p < .001$), and confidence that the neighborhood will be a good place to live in five years ($p < .001$) are greater. The sense-of-community index is not correlated with the gender or racial characteristics of respondents. It is also unrelated to the distance variable (which measures how far away the respondent lives from Eighth Street and Emerson Avenue North).

Table 23. Measures of Social Capital in Neighborhood and for Residents

Do you agree or disagree with the following statements about your neighborhood?	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree	Mean
I am quite similar to most people who live in this neighborhood.	6 (4)	42 (29)	41 (29)	37 (26)	17 (12)	3.13
If I feel like talking, I can generally find someone in this neighborhood to talk to right away.	11 (8)	52 (36)	23 (16)	36 (25)	22 (15)	3.04
I care whether this neighborhood does well.*	71 (50)	37 (26)	21 (15)	6 (4)	8 (5)	1.89
The police in this neighborhood are generally friendly.	9 (7)	52 (36)	48 (33)	15 (10)	20 (14)	2.89
People here know they can get help from others in the neighborhood if they are in trouble.	8 (6)	34 (24)	52 (36)	34 (23)	16 (11)	3.10
My friends in this neighborhood are part of my everyday activities.	2 (1)	26 (18)	28 (19)	60 (41)	29 (20)	3.61
If I am upset about something personal, there is someone in this neighborhood to whom I can turn.*	13 (9)	42 (29)	27 (19)	36 (25)	28 (19)	3.16
I have friends in this neighborhood on whom I can depend.*	21 (15)	45 (31)	26 (18)	28 (19)	24 (16)	2.91
If there were a serious problem in this neighborhood, the people here could get together and solve it.	8 (6)	49 (34)	37 (26)	33 (23)	17 (12)	3.01
If someone does something good for this neighborhood, it makes me feel good.	50 (35)	73 (50)	19 (13)	1 (1)	2 (1)	1.83
If I had an emergency, even people I don't know in this neighborhood would be willing to help.	10 (7)	47 (33)	50 (34)	24 (16)	14 (10)	2.89

Note: Figures in parentheses are row percentages.

*These questions were asked in the negative in the original survey to minimize patterned-response bias. The questions were reworded for this table, and answers were recoded to match the format for the rest of the items in the table.

Social Capital

The sense-of-community index measures the degree to which residents identify with the neighborhood, and the degree to which they sense a network of informal support among neighbors. To many, this is one form of social capital that can be built in neighborhoods, a form focused on the internal relationships among residents. Analysts have also measured social capital by examining the degree to which people “join” civic organizations or participate in civic duties. This survey adopted four questions to examine this dimension of social capital (see Table 24).

From the answers in Table 24, a summary measure of social capital was created by adding together the number of “yes” answers for each respondent. The distribution of this measure is shown in Figure 7. The most common value is a score of 1.0, and the average score is 1.4. The distribution shows most respondents scored 1.0 or less on the index.

To determine what type of people exhibit higher levels of social capital, the relationships were tested between social capital and distance, length of residency, ownership status, race, income, age, household size, and education. Statistically, the social capital index is positively correlated with status of owning a home (t-test, $t = 3.6$, significance = 0.022), the length of residency (correlation, significance = .002), the highest level of education (correlation, significance = 0.032), total 1998 household income (correlation, significance = 0.000), and the age of the resident (correlation, significance = 0.042). The social capital index is negatively correlated with the number of people in the household (significance = 0.006). When broken down into different racial groups, Asian respondents have significantly lower levels of social capital compared to other races ($t = -3.43$). One possible explanation for this result is the significant influx of Southeast Asian immigrants into the north side in the last few years who may be less politically active, and who, in fact, are ineligible to vote, which is one of the indicators of social capital in the index. In addition, compared to other racial groups, Asian respondents also have much shorter terms of residency ($t = -2.7$).

Importance of Hollman Redevelopment to Neighborhood Improvement

The questionnaire also asked respondents to indicate how important three recent events were to the improvement of the neighborhood (see Table 25). The three events listed were (1) a new set of stores added to the

Table 24. Measures of Social Capital

	Responded yes
Did you vote in the last election?	89 (64%)
Are you a member of the local neighborhood association?	27 (18%)
Do you belong to a church, synagogue, mosque, or other place of worship that is located in your neighborhood?	52 (36%)
In the past six months, have you volunteered for any neighborhood event?	39 (27%)

Note: Numbers are the number of respondents reporting each of the items. Figures in parentheses indicate percentage of all respondents.

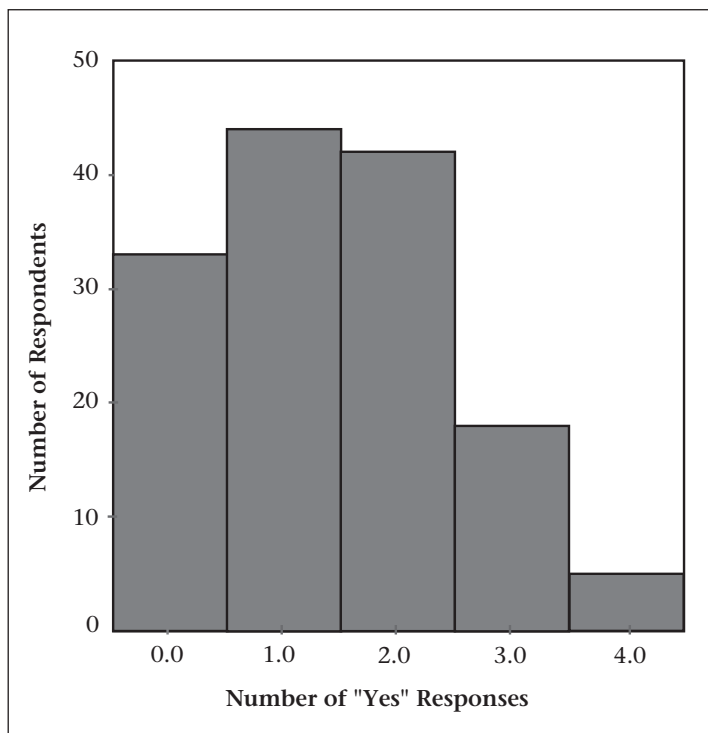


Figure 7. Social Capital Index

Std. Dev. = 1.08
 Mean = 1.4
 N = 143

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commercial area at Broadway and Dupont Avenues, (2) the demolition of more than 300 units of public housing at Olson Memorial Highway and Bryant Avenue, and (3) the police policy of zero tolerance in dealing with suspected gang crime. Respondents were asked to rate how important each of these factors was to the improvement of their neighborhood.

The data show that north side respondents regarded the anticrime initiative as the most important of the three in improving conditions in the neighborhood. It is notable, however, that close to three-quarters of the respondents indicated that the demolition of public housing at the project site is important for the improvement of the neighborhood. The least amount of enthusiasm (at least with respect to its importance in improving the neighborhood) was expressed for the commercial upgrading on Broadway Avenue.

Importance of Distance from the *Hollman* Site

This section considers whether any of the attitudes and behaviors examined in the previous section vary by how far the respondents live from the redevelopment site. This is important to establish a baseline for examining the impact of redevelopment in future years.

Of the demographic characteristics measured in the survey, only one is related to distance from the site. Compared to other races, White respondents on average live farther away from the *Hollman* site ($t = 3.72$, significance = 0.000). No other demographic characteristics—including marital status, income, education, household size, length of residency, age, gender, and homeownership status—are statistically correlated with distance.

Neither the question that asked about overall satisfaction with the neighborhood, nor any of the other 26 questions related to satisfaction with the quality or location of neighborhood services and amenities, are statistically correlated with distance from the *Hollman* site. Similarly, none of the questions about respondents’ sense of safety is statistically related to their distance from the *Hollman* site.

Respondents were also asked several questions about their sense of confidence in the future prospects of the neighborhood, and whether they have made or plan to make improvements in their homes. None of the answers to these questions was related to the distance of respondents from the *Hollman* site.

Respondents’ psychological sense of community and their scores on the social capital index were examined to see whether they were related to distance from the redevelopment site. They were not.

Finally, a respondent’s tendency to regard the demolition of public housing on site as important to the neighborhood was tested to see whether it was correlated with proximity to the site. As with all

Table 25. Importance of Recent Events to Improvement of North Side

How important to the improvement of the north side is...	Very important or important	Neither important nor unimportant	Unimportant or very unimportant	Mean
demolition of Sumner Field public housing*	102 (72)	24 (17)	15 (11)	2.01
police policy of zero tolerance for gang activity†	128 (89)	9 (7)	6 (4)	1.52
recent commercial development on Broadway‡	91 (63)	35 (25)	17 (12)	2.22

Note: Figures in parentheses are row percentages. The differences in means across all comparisons are statistically significant at $p = .05$ or below. The lower the mean response, the more important the item as reported by respondent.

*“In the past three years, the city has torn down over 300 units of public housing at Olson Highway and Bryant Avenue. How important is that to the improvement of the neighborhood?”

†“Recently, the police department has instituted a policy of ‘zero tolerance’ in dealing with suspected gang crime. How important is that to the improvement of the neighborhood?”

‡“Recently, a new set of stores has been added at Broadway and Dupont. How important is that to the improvement of the neighborhood?”

of the other substantive questions examined, no statistical relationship was found between the answers to that question and distance from the site.

Multivariate Analysis

The following analysis attempts to determine whether any of the demographic attributes of respondents is related to satisfaction, sense of safety, neighborhood confidence, psychological sense of community, or social capital. Multivariate analysis was used to test for the impact of one attribute on, for example, sense of satisfaction, while controlling for all other attributes. This approach makes it possible to determine whether older respondents are more or less satisfied than younger ones, controlling for sex, race, housing tenure, etc. In the following analysis, the **dependent variables** are (1) the answer to the question about overall neighborhood satisfaction, (2) the answer to the question about overall sense of safety, (3) the answer to the question about what kind of place to live the neighborhood will be in the future, (4) the respondents' scores on the sense-of-community index, (5) the respondents' scores on the social capital index, and (6) respondents' answers to the question about the importance of the north side public housing demolition. The analysis attempts to explain the variation in those dependent variables by including the following **independent variables** in the models: age, marital status, length of residency in the neighborhood, race, education, household income, whether respondents have children, household size, whether the respondent is a homeowner, and finally, the distance the respondent lives from the project site.

Homeownership was the only variable that was significantly correlated with neighborhood satisfaction. The relationship indicates that homeowners have a higher level of satisfaction about the neighborhood (adjusted R-square = .03).

The equation predicting respondents' sense of safety produced a few more relationships. Again, homeownership status was associated with sense of safety ($p < .01$), but so were total household income ($p < .05$) and whether the respondent was Black ($p < .05$, adjusted R-square = .14). The data show that homeowners, higher income residents, and African American respondents felt safer in the neighborhood.

The multivariate analysis of neighborhood confidence showed that only homeownership was statistically correlated with the general feeling of confidence ($p < .001$, adjusted R-square = .03).

This pattern is repeated for respondents' sense of community. Only homeownership was significantly associated with a higher sense of community ($p < .001$, adjusted R-square = .07). Homeowners in general felt a stronger sense of community than did other respondents.

The social capital equation shows three variables significantly associated with higher levels of social capital: household income ($p < .01$), sex of the respondent ($p < .05$), and homeownership ($p < .05$). Higher income respondents, female respondents, and homeowners scored higher on the social capital index (adjusted-R square = .21).

Finally, none of the independent variables tested were significantly related to the respondents' attitudes about the importance of the public housing demolition (adjusted R-square = .10). This means that for any of the attributes examined, one cannot distinguish between those who feel the demolition is very important to the neighborhood and those who feel it is less important.

In summary, two general findings from the multivariate analysis are worth noting. The first is that homeownership is an important variable for this analysis. Homeowners rated higher their overall degree of neighborhood satisfaction, sense of safety, neighborhood confidence, sense of community, and level of social capital. It is consistently important across all of the substantive items studied. The second finding worth emphasizing is that, as in the bivariate analysis reported earlier, the distance a respondent resides from the redevelopment site makes no difference for any of the items studied. Those who live farther away from the site are no more or less satisfied than those who live closer to the site, they feel no more or less safe, they are no more or less confident in the neighborhood, and they show no greater or lesser levels of sense of community and social capital.

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This may be due to one of two factors. First, it is possible that the concentration of public housing on the project site did not have negative spillover effects on nearby residents, or that if there were such effects, they were no greater than the negative effects felt by more far-flung residents from other more generalized neighborhood problems (such as crime, gang activity, and housing abandonment). The second possibility is that by spring and summer of 1999, word of the impending redevelopment of the site was so widespread among nearby residents that they had already adjusted their feelings about satisfaction, safety, and confidence to incorporate their expectations about the neighborhood. Because of the timing of the survey and the announcements about the site, this survey cannot be regarded as a true pretest in the sense of providing reliable estimates of neighborhood attitudes under pre-*Hollman* conditions (before people knew of the redevelopment). It can, however, still provide a baseline against which to estimate the effects of the new development that takes place on the site. At the time this survey was taken, the site was half-demolished. Close to 300 units of public housing still stood south of Olson Memorial Highway, and the northern part of the site was a fenced-off expanse of rubble and vacant property. By duplicating this survey in the future it is still possible to determine what benefits, if any, are derived from the new development that will occur.

Intercorrelation between Satisfaction, Sense of Safety, Confidence, Sense of Community, and Social Capital

Table 26 presents the correlation matrix for the five substantive dimensions of neighborhood attitudes that we have examined in this report. Many of the attitudes measured in this questionnaire are related. Neighborhood satisfaction, confidence in the neighborhood, and sense of safety are all highly interrelated. These attitudes are also highly correlated with respondents' sense of community, as one would expect. What is perhaps contrary to expectations is that these attitudes are not highly correlated with social capital. Furthermore, they are not related at all to the importance the respondents gave to the north side redevelopment.

There is only a low to moderate correlation between respondents' sense of community, level of social capital, and the importance with which they regard the redevelopment of the north side site.

CONCLUSION

This report provides a snapshot of conditions on the north side public housing site and its surrounding area prior to redevelopment. The data show that residents of the project site were concentrated in service industry jobs, particularly health service and business and repair service classifications. The project site was home to a very high concentration of poor residents. The median income for the site in 1990 was one-third that of the city of Minneapolis as a whole. Only 62% of adults in the

Table 26. Intercorrelation among Attitudinal Questions

	Importance of demolition	Social capital	Sense of community	Neighborhood confidence	Sense of safety
Satisfaction	.00	.13	.61 ***	.68 ***	.67 ***
Sense of safety	.04	.19 *	.51 ***	.59 ***	
Confidence	.04	.18 *	.66 ***		
Sense of community	.17 *	.26 **			
Social capital	.19 *				

* p < .05 ** p < .01 *** p < .001

workforce were employed at the time of the 1990 census, 41% of the households were headed by a single woman, 49% of the population consisted of children under the age of 18, and 61% of households received public assistance. All of these figures indicate that the project site was a neighborhood that was significantly different than all others in the city.

The surrounding neighborhood was also a lower income neighborhood, although less dramatically so than the project site. The community had almost twice the poverty rate of the city as a whole, a higher unemployment rate, twice the rate of public assistance, and 30% more children as a percentage of the total population. The employment profile of community area members is generally similar to that of project-site residents. The majority were employed in service industries, although they were more likely to work in professional services and less likely to work in health services than project-site residents.

The neighborhood surrounding the north side site is flanked by industrial uses to the south and northeast. Retail opportunities are scarce within a one-mile radius of the site. The area has experienced a significant surge in residential property values, part of a larger phenomenon that has affected the entire Twin Cities region during the last half of the 1990s. Home prices are increasing rapidly, and sales are brisk, a contrast to conditions in the neighborhood during the 1980s.

A survey of residents within a one-mile radius of the project site indicates that only a small majority (52%) reported overall satisfaction with the neighborhood. In general, survey respondents felt less satisfied with the quality of key services and amenities in the neighborhood (including grocery stores, schools, hospitals, and parks) than they did with the location of those services. The lowest levels of satisfaction were registered for the number of jobs, the variety of shops and services, grocery stores, and childcare in the neighborhood. A majority of respondents reported feeling safe in the neighborhood, although that number fell dramatically when they rated their feelings of safety at night. Specifically, the problems of drugs and litter were rated as most troublesome by respondents. In general, respondents were moderately confident in the future of the neighborhood. Finally, close to three-quarters of respondents (72%) indicated that they felt the demolition of Sumner Field public housing was very important or important to the neighborhood.

Homeownership was the only individual attribute that was consistently associated with the attitudinal responses provided by residents. Homeowners had higher levels of neighborhood satisfaction, sense of safety, neighborhood confidence, and sense of community. None of the attitudinal responses reported by survey participants varied by their locations within the neighborhood. More specifically, those residing nearer to the project site were no different in their assessment of the neighborhood than those residing farther away.

This report serves as the baseline study for conditions on the north side of Minneapolis prior to the redevelopment of the 73-acre project site. The land uses described in this report—along with the neighborhood demographics, survey responses, physical condition of the built environment, and market trends—will be compared to those that prevail some years after the redevelopment of the *Hollman* site. Such an analysis will constitute an attempt to document the range of impacts that the redevelopment of the north side site might produce.

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APPENDIX 1

WINDSHIELD SURVEY METHOD

The windshield survey consisted of a comprehensive evaluation of the physical stock of all neighborhood blocks within a one-mile radius of the project center during the summer of 1999. The boundaries consisted of Golden Valley Road and Broadway Avenue to the north, Thomas Avenue on the west, Chestnut Avenue on the south, and Interstate 94 on the east.

Evaluators were asked to note several aspects of building conditions on each block. Each block was assigned a different number to avoid duplication and to delineate blocks to which corner lots were assigned. In some cases, half-block regions were designated using A and B. To make the survey more manageable, evaluators surveyed north-south streets first, and later went back to survey the east-west streets.

The information below was recorded for each block in the study area.

Housing Code: An overall housing condition code was given to each block. The codes (relative to the same neighborhood, not compared to other neighborhoods) were on a scale of 1 to 3. A 1 was used to indicate generally poor housing conditions, including boarded homes or homes in clear need of significant repair. A 2 was used to indicate blocks with homes of modest quality. A 3 was used to indicate blocks where the majority of homes were new or recently rehabilitated, and where homes were generally larger, better maintained, and of higher quality.

Specific homes were noted (for example, “three rehabilitated homes on the west”), and an overall housing code for the block was given. For example, if a block had mostly homes in category 2, but also a few homes in category 3, the overall rating for the block would be a 2. Most of the blocks on the north side were in the 2 category.

House Size: House size was coded for the entire block to capture the size of the typical home on the block. House size was rated in half-story increments on a scale from 1 story to 4 stories.

Number of Duplexes: Evaluators coded the actual number of these buildings on each side of the block.

Number of Multifamily Homes: Evaluators coded the actual number of such buildings on each side of the block.

Vacant Lots: Vacant lots were defined as land unoccupied by buildings. In some cases, if there was a large parcel of land left vacant, an estimate was made as to how many separate parcels were involved. Evaluators coded the number of such vacant lots for each side of the block.

Corner Lots: Corner lots were defined as unused land at the intersection of two or more streets. Evaluators coded the number of such lots on the block.

Side Lots: Side lots were defined as vacant lots attached to homes. Usually such lots were fenced in. Evaluators coded the number of such lots on each block.

Handicapped Units: These units were indicated by handicapped parking signs. Evaluators coded the number of such units on each block.

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Boarded Units: Only homes that were completely boarded up were included in this category; the occasional home with one or two windows boarded was not counted. Evaluators coded the number of boarded units on each block.

Rehabbed Units: The number of units that were undergoing, or had very recently undergone, renovation that was noticeable from the street (e.g., new roofing, new siding, exterior paint job, etc.). Evaluators coded the number of rehabilitated units on each block.

For Sale Properties: Lots with “for sale” signs. Evaluators coded the number of for sale properties on each block.

Parking Lots: Evaluators coded the number of parking lots on each block. Parking lots that abutted multiple blocks were counted only once (i.e., attributed to only one block).

Parks: This category included public parks and playgrounds. Evaluators coded the number of parks and playgrounds on each block. Parks or playgrounds that abutted multiple blocks were counted only once (i.e., attributed to only one block).

Schools: Evaluators coded the number of schools on each block. Schools that abutted multiple blocks were counted only once (i.e., attributed to only one block).

Daycare: Included structures that displayed signs advertising daycare. Evaluators coded the number of such structures on each block.

Commercial: Evaluators coded the number of commercial establishments on each block.

Churches: Evaluators coded the number of churches on each block. Churches that abutted multiple blocks were counted only once (i.e., attributed to only one block).

Notes: Each block included a notes section, which listed names of commercial properties and nonprofit organizations, miscellaneous descriptions of the block, names of schools, and so on.

APPENDIX 2

NORTH SIDE RESIDENT SURVEY METHOD

The survey of north side residents was conducted as a mail survey by the Minnesota Center for Survey Research (MCSR) at the University of Minnesota. A total of 598 surveys were mailed during the initial phase. Because of ineligible addresses, an additional 116 surveys were mailed to replacement households. Household addresses were selected because they were within a one-mile radius of Eighth Street and Emerson Avenue North, the center of the redevelopment site. Equal numbers of households were selected for three concentric rings within the one-mile radius: those living within one-quarter mile, those between one-quarter mile and one-half mile, and those more than one-half mile. The list of names and addresses for the survey was purchased from AccuData America, a commercial database company.

The procedures used by MCSR for this mail survey were based on the methods described in *Mail and Telephone Surveys*, by Don A. Dillman (1978). The first mailing was sent to the initial sample of north side residents on April 6, 1999, and included a cover letter inviting participation in the study, the questionnaire, and a stamped self-addressed return envelope. The second mailing, which was sent to the entire sample on April 13, 1999, consisted of a reminder postcard. The postcard thanked individuals if they had already filled out and returned the questionnaire, and asked them to take the time to complete and return the survey if they had not already done so. On April 27, 1999, a third mailing was sent to all individuals who had not yet returned their surveys. This mailing was identical procedurally to the first mailing, and included a reminder cover letter, a copy of the questionnaire, and a stamped self-addressed return envelope. Because a large number of the initial surveys were returned by the U.S. Postal Service as undeliverable, new addresses were identified and added to the sample as replacements. The three mailings for the replacement households were conducted on May 7, May 14, and May 28, 1999.

HOLLMAN v. CISNEROS

Deconcentrating Poverty in Minneapolis

**Report No. 4:
Changes to the Public Housing
Stock in Minneapolis**

by Edward G. Goetz

Center for Urban and Regional Affairs
University of Minnesota



UNIVERSITY OF MINNESOTA

A publication of the Center for Urban and Regional Affairs (CURA), an all-University applied research and technology center at the University of Minnesota that connects faculty and students with community organizations and public institutions working on significant public policy issues in Minnesota.

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INTRODUCTION

The consent decree in *Hollman v. Cisneros*, signed in 1995, committed the Minneapolis Public Housing Authority, the U.S. Department of Housing and Urban Development, and their co-defendants to a series of dramatic policy changes. First, four north side public housing projects and dozens of scattered-site public housing units would be reviewed for possible demolition or disposition. Second, the defendants would create up to 770 units of replacement public housing in nonimpacted areas of the city and suburbs. Third, the displaced residents of the demolished scattered-site and north side public housing were to be relocated with public assistance. Fourth, the 73-acre north side site was to be redeveloped. Fifth, hundreds of tenant-based housing subsidies would be made available to Minneapolis public housing residents to enable them to move out of areas of race and poverty concentration. Sixth, changes in the operation of the Minneapolis Section 8 program would occur to make it easier for participants to exercise geographic choice. Finally, an affordable housing clearinghouse would be created to provide low-income families a centralized source of information about housing options in the metropolitan area.

The Center for Urban and Regional Affairs (CURA) at the University of Minnesota was contracted by the Family Housing Fund of Minneapolis–St. Paul and by the State of Minnesota in 1998 to conduct an evaluation of the implementation of the consent decree. This is the fourth in a series of eight reports generated by the consent decree.

This report presents an analysis of the changes to the Minneapolis public housing stock as a result of implementation of the consent decree in *Hollman v. Cisneros*. The consent decree resulted in the demolition of 722 units of row-house public housing on the north side and 22 scattered-site units throughout the city. The Minneapolis Public Housing Authority (MPHA) also transferred ownership of 28 units of scattered-site public housing to other entities. The analysis presented in this report examines how these changes have altered the social and economic profile of the neighborhoods in which public housing is distributed in Minneapolis.

CHANGES TO THE PUBLIC HOUSING STOCK IN MINNEAPOLIS

A major element of the consent decree in *Hollman v. Cisneros* is an effort to deconcentrate the stock of low-rent public housing operated by the Minneapolis Public Housing Authority (MPHA). To that end, the decree called for an evaluation of several public housing projects and 132 units of scattered-site public housing for possible demolition or disposition (Table 1).

These units were to be evaluated because of their age and condition (especially the case for the Sumner Field units), their geographic concentration, and their location in census tracts with high levels of poverty. The following analysis documents the evaluation process and the outcomes, and examines the effects of the demolition and disposition of these units on the distribution of public housing opportunities across the city of Minneapolis.

Table 1. Public Housing Units to Be Reviewed for Possible Demolition or Disposition

Public housing site	Units
Sumner Field	350
Glenwood	220
Olson	66
Lyndale	86
Scattered-site	132
Total	854

ROW-HOUSE PROJECTS

The decree mandated the establishment of a focus group process whereby the future of the Sumner Field, Olson, Glenwood, and Lyndale projects would be determined. The details of that process are examined in *Report No. 2: Planning for North Side Redevelopment*, which describes the process related to the redevelopment of the 73-acre north side site on which these units had been located. In 1995, MPHA operated five row-house projects that included 906 units. Besides the four north side projects listed above, MPHA operates the Glendale project located in southeast Minneapolis (182 units). This project was not included in the decree.

The focus group recommended in November 1996 that all of the units on the 73-acre north side site be demolished. This recommendation was incorporated into the development guidelines for the north side site in 1997. The Olson Townhomes were the first project to be cleared, going down in September of 1997. The rest of the units on the site north of Olson Memorial Highway, the Sumner Field project, were demolished in the summer of 1998. Demolition of the Glenwood and Lyndale projects began in the summer of 1999, but was delayed due to community-based protests. After being stopped by the mayor, demolition was finally continued at the order of Federal District Court Judge Rosenbaum, who had presided over the original decree in 1995. Demolition of the final north side units was completed in the spring of 2000, five years after the consent decree was signed.

Thus, prior to the implementation of the consent decree, MPHA operated 906 units of row-house public housing, all of which were located in race- or poverty-concentrated parts of the city. “Concentrated areas” are defined in terms of their minority and poverty population (see Table 2). Of these MPHA-operated row-house units, 724 (or 80%) were located in census tracts that were both

Table 2. Definitions of Minority and Poverty Concentration

Type of area of concentration	Definition
Minority-concentrated area (metrowide)	Census tracts with 28.69% or more minority population
Poverty-concentrated area (in Minneapolis and St. Paul)	Census tracts with 33.5% or more of the population in poverty
Poverty-concentrated area (in suburbs)	Census tracts with 12.2% or more of the population in poverty

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poverty and minority concentrated. By 2000, MPHA operated only the 182 row-house units in the Glendale project. New construction units are to be placed within the Metropolitan Urban Service Area (MUSA) or within free-standing growth areas (as defined by the Metropolitan Council). Acquisition or rehabilitation can occur anywhere in nonconcentrated areas of the seven-county metropolitan area.

SCATTERED-SITE UNITS

The MPHA also operated about 600 units of scattered-site housing in 2000, located in duplexes and single-family homes around the city. Figure 1 shows the location of scattered-site public housing units in Minneapolis prior to the consent decree in 1995. The figure shows a scattering of units throughout the entire city, with some concentration in the near north and mid-south neighborhoods.

The consent decree mandated that 129 units of scattered-site housing be evaluated to determine whether they would be kept in the MPHA stock. Figure 2 shows the location of scattered-site units evaluated as a result of the *Hollman* decree. With very few exceptions, these units are located in areas of poverty and minority concentration and in those neighborhoods with the greatest number of scattered-site units.

In 1991, there were 711 units of scattered-site public housing. As a result of the consent decree, a total of 132 units were evaluated. The evaluation of these units was conducted by MPHA staff to determine whether the units would be kept in the public housing stock, whether they needed to be rehabilitated, or whether they would be conveyed to the Minneapolis Community Development Agency (MCDA) for demolition or for rehabilitation and resale for owner occupancy.

The consent decree called for MPHA to evaluate for possible demolition or disposition 129 units (MPHA added another 3 units to the list after the agreement was signed to bring the total to 132) of the 376 scattered-site housing units that were located in minority-concentrated areas. Most of the units identified by MPHA were “built before 1960 or had not received major modernization work

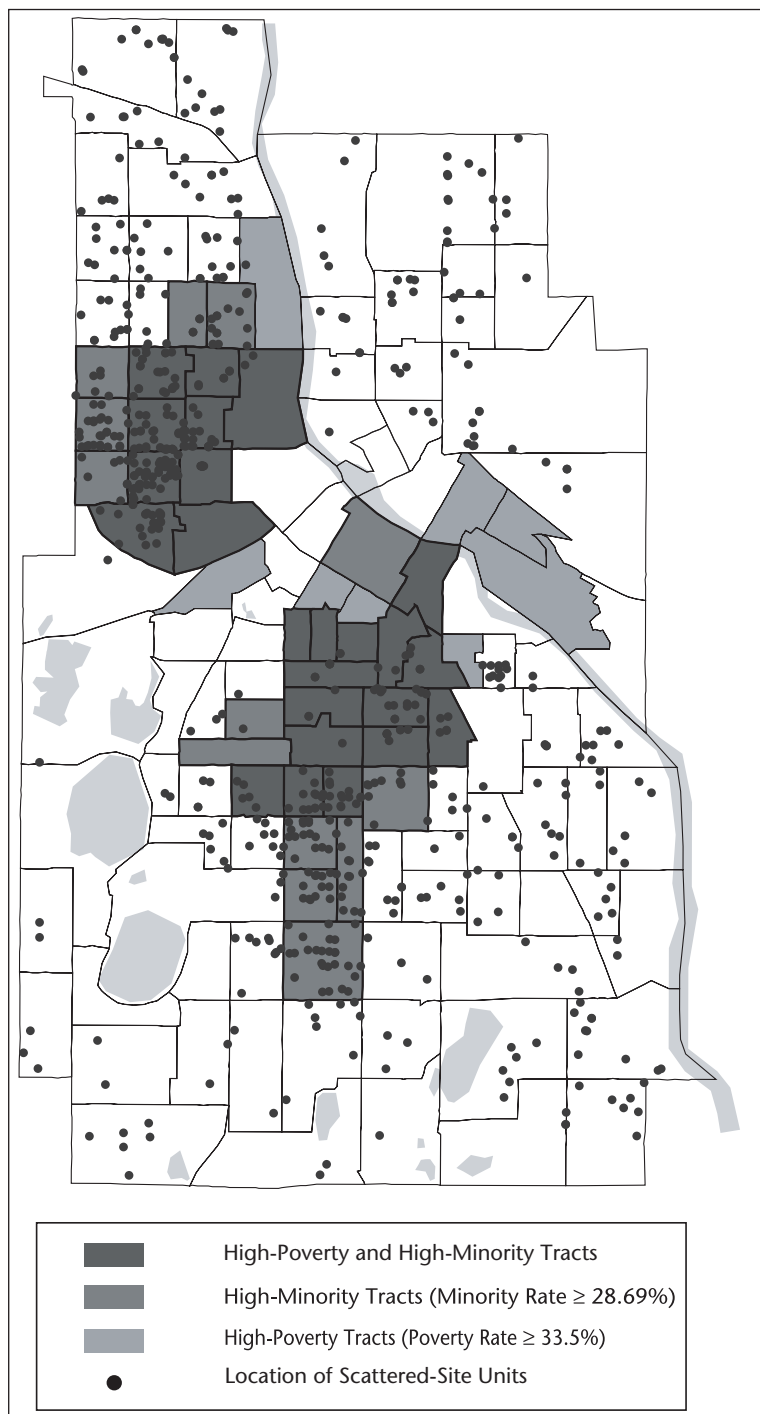


Figure 1. Location of Scattered-Site Public Housing Units in Minneapolis Prior to 1995 *Hollman* Consent Decree

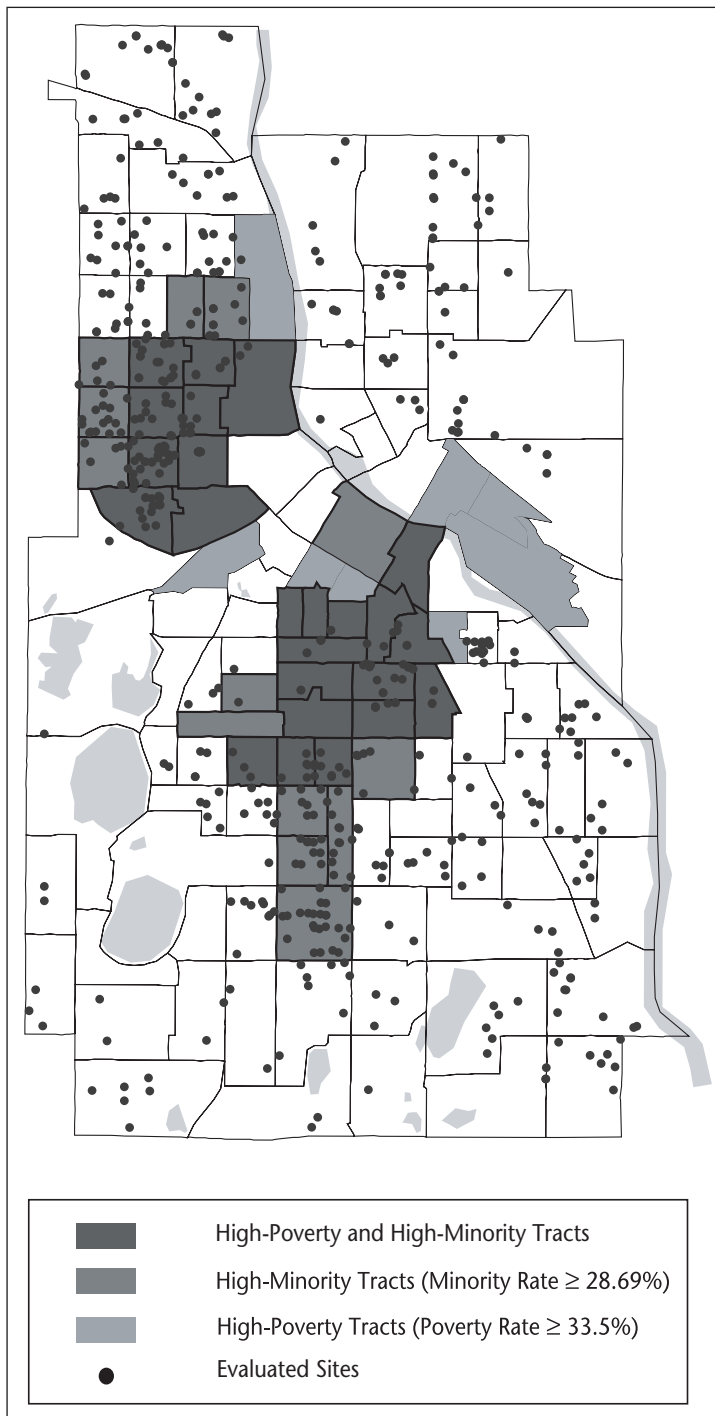


Figure 2. Location of Scattered-Site Public Housing Units in Minneapolis Evaluated as a Result of *Hollman* Consent Decree

within the past five years. These were the units most likely to need lead paint abatement and substantial rehabilitation” (U.S. District Court in *Hollman v. Cisneros* 1995). The disposition policy adopted by MPHA and offered as part of the appendix of the consent decree indicated that MPHA would “dispose of the units within the minority-identified census tracts unless there is a compelling reason to preserve the units,” such as a large number of bedrooms, above average unit features, or neighborhood amenities (U.S. District Court in *Hollman v. Cisneros* 1995).

The decision to evaluate the scattered-site units was made to provide an opportunity to improve the condition of those units. It was, however, also part of the larger strategy of the consent decree to deconcentrate public housing units and improve the average neighborhood conditions of those living in MPHA units. Thus, the following analysis examines the neighborhood conditions associated with those scattered-site units that were evaluated, and the condition of those retained within the MPHA stock.

The data in Table 3 show that the units that were evaluated as a result of the *Hollman* decree were twice as likely as other scattered-site units to be located in census tracts that were both poverty and race concentrated (58% to 29%). The consent decree stated, however, that the scattered-site units to be evaluated were located in “minority-concentrated” areas. This analysis indicates that 12% of the evaluated units were located in tracts that were neither poverty nor race concentrated.

The evaluation of these units had the potential to deconcentrate a portion of the MPHA stock. The actual outcomes were

less dramatic, however. Similar percentages of units in poverty- and in race-concentrated tracts were retained as public housing compared to the percentage that was demolished or conveyed to MCDA. Only among units in census tracts that were both race and poverty concentrated was there a significantly greater percentage of units disposed of (69%) compared to the number retained as public housing (51%). In all, the movement toward deconcentration among these scattered-site units was marginal. Before evaluation, 88% of the evaluated units were in concentrated areas; after the evaluation and disposition of units, 82% of those that remained in the MPHA stock were in concentrated tracts. This analysis is exclusive of the six units whose fate was still pending at the time of data collection.

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Table 3. Neighborhood Concentration Characteristics of Scattered-Site Units Evaluated as a Result of *Hollman* Consent Decree

	Evaluated	Not evaluated	Retained as part of MPHA stock	Not retained as MPHA housing
Nonconcentrated	16 (12)	309 (53)	14 (18)	2 (4)
Poverty concentrated	1 (1)	2 (1)	1 (1)	0 (0)
Race concentrated	38 (29)	101 (17)	23 (30)	13 (27)
Poverty and race concentrated	77 (58)	167 (29)	40 (51)	33 (69)
Total	132 (100)	569 (100)	78 (100)	48 (100)

Note: Figures in parentheses are column percentages.

The second consideration for these units was how many were retained as housing compared to the number that were demolished. Here the concern was not with deconcentration, but with the retention of affordable housing units. Table 4 distinguishes between units kept in service (either by MPHA or rehabilitated by MCDA and then sold to owner occupants) and units that were demolished. There are 12 units whose fate is pending, 6 owned by MPHA, and 6 that have been conveyed to MCDA. The table shows essentially no difference in the race- or poverty-concentration status for rehabilitated and demolished units. The elimination of these housing units from the stock does not seem to be associated with the level of poverty or race concentration of the neighborhoods in which they are located.

Table 5 provides more detailed information about the neighborhoods in which the evaluated scattered-site units were located. The first column of data contrasts the neighborhood characteristics of the average scattered-site unit that was evaluated pursuant to the decree with the neighborhood characteristics of all other MPHA scattered-site units. The data show that those evaluated were located in neighborhoods with more minority residents, a higher percentage of very low income households, a lower median income by almost \$5,000, a higher percentage of the population on public assistance (28.3% to 16.8%), much higher levels of child poverty (53.4% to 32.9%), higher levels of family poverty (36.9% to 23.2%), more female-headed households, fewer employed persons, and fewer homeowners (43.6% to 55.4%). The housing stock differences between these neighborhoods were less dramatic. There was no statistical difference in the average age of housing units, or in the number of larger units. However, the neighborhoods of the scattered-site units that were evaluated had a higher percentage of low-rent units and a much higher percentage of low-value owner-occupied units (91.8% to 76.5%). The data clearly indicate that the evaluated scattered-site units were located in neighborhoods with higher numbers of racial minorities and with higher levels of economic disadvantage compared to all scattered-site units.

The second column of data compares the typical neighborhood characteristics of units kept in the MPHA stock vs. those taken out of that stock (the universe here is the total number of units evaluated). The neighborhoods of units kept in the MPHA stock differed on many dimensions from the neighborhoods of units that were removed. For those units kept by MPHA, the neighborhoods had on average more White residents (41% to 31%), fewer Asian residents (5.6% to 9.2%), fewer very

Table 4. Race and Poverty Concentration Status of Scattered-Site Units Rehabilitated and Demolished as a Result of *Hollman* Decree

	Rehabilitated	Demolished	Total
Nonconcentrated	14 (14)	2 (9)	16 (13)
Poverty concentrated	1 (1)	0 (0)	1 (1)
Race concentrated	27 (28)	7 (32)	34 (28)
Poverty and race concentrated	56 (57)	13 (59)	69 (57)
Total	98 (100)	22 (100)	120 (99)

Note: Figures in parentheses are column percentages. Column percentages may not total 100% due to rounding.

Table 5. Neighborhood Characteristics of the Average Scattered-Site Unit across Several Categories

	Evaluated?			Kept in MPHA stock?			Kept in housing stock?		
	Yes	No	Sig.	MPHA	Other	Sig.	Rehab.	Demol.	Sig.
Pct. White	37.6	64.6	***	41.4	30.8	**	38.9	31.1	—
Pct. African American	47.4	24.1	***	45.9	51.8	—	47.4	50.9	—
Pct. Asian	7.1	4.9	***	5.6	9.2	***	6.6	7.7	—
Pct. very low income	41.3	32.1	***	39.1	44.3	**	40.1	43.5	—
Median household income	\$19,659	\$24,572	***	\$20,675	\$18,459	*	\$20,259	\$18,628	—
Pct. on public assistance	28.3	16.8	***	26.3	31.3	**	27.5	30.5	—
Child poverty rate	53.4	32.9	***	50.0	58.4	**	52.0	56.1	—
Family poverty rate	36.9	23.2	***	33.7	41.3	***	35.7	39.4	—
Pct. female-headed household	23.2	13.7	***	20.5	25.2	**	22.2	22.8	—
Pct. employed	64.8	69.2	***	66.3	62.4	*	65.6	62.5	—
Pct. owner-occupied	43.6	55.4	***	44.7	43.0	—	43.3	46.4	—
Pct. units built pre-1939	58.6	56.3	—	58.2	58.1	—	57.7	57.5	—
Pct. units with 3+ bedrooms	43.2	42.0	—	43.1	44.3	—	43.5	44.6	—
Pct. low-rent units	22.8	16.6	***	21.7	24.9	—	21.8	26.4	—
Pct. low-value units	91.8	78.5	***	90.3	93.5	*	91.0	93.3	—
<i>n</i>	132	579		78	48		98	22	

* p < .05 ** p < .01 *** p < .001

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low income residents (39% to 44%), a slightly higher median income (\$20,676 to \$18,459), a lower percentage of people on public assistance (26% to 31%), lower levels of child and family poverty (50% to 58% and 34% to 41%, respectively), lower levels of female-headed households (20% to 25%), and a higher percentage of the population employed (66% to 62%). There were no statistically significant differences between neighborhoods in the percentage of African-American residents or the percentage of homeowners. Only one of the four housing stock characteristics differed across these neighborhoods: the census tracts in which scattered-site units were retained as part of the MPHA stock had a slightly lower percentage of low-valued single-family homes (90% to 93%). Thus, it seems that the decision making regarding the units to keep in the MPHA stock did result in units being kept in neighborhoods with a different profile (more White residents, less poverty, more employment) than the neighborhoods of units that were demolished or conveyed to MCDA.

Finally, the third column of data in Table 5 compares the neighborhood characteristics of the average scattered-site unit that was kept standing (either as an MPHA unit or conveyed to MCDA for rehabilitation and resale) to units demolished. The table shows that there were some slight differences in the neighborhood characteristics of the average unit that was kept in the housing stock vs. the average unit demolished. The neighborhood of the average unit kept in the stock had slightly more White residents (39% to 31%), slightly fewer African-American residents (47% to 51%), a slightly lower percentage of residents with very low incomes (40% to 43.5%), and a slightly higher median income. There were also slight differences between these neighborhoods in poverty (36% in the neighborhood of the average unit kept in the stock compared to 39% for other units), the percentage of the workforce employed (66% to 62%), the percentage of the housing stock owner-occupied (43% to 46%), and the percentage of low-rent units (22% to 26%). In general, these differences are slight and do not represent significant differences in neighborhood makeup.

SUMMARY OF SCATTERED-SITE DISPOSITION

There are three findings worth noting in the analysis of the disposition of scattered-site units. The first is that MPHA actually evaluated 16 units (of which 2 were demolished) in neighborhoods that did not meet the consent decree's definition of minority or poverty concentration. The decree clearly stated that the units evaluated were to be from "minority-concentrated" areas.

Second, the overall level of deconcentration achieved by the disposition or demolition of the 48 units that were removed from the MPHA stock is insignificant. Of all units evaluated for disposition or demolition, 88% were from concentrated areas, and the majority of these were kept in the MPHA stock.

Nevertheless, the data show that the units that were eliminated from the MPHA stock, even compared to the other evaluated units in concentrated neighborhoods, tended to be in areas with significantly higher levels of poverty, public assistance, lower employment, and more low-cost and low-value housing. Thus, those units eliminated from the public housing stock tended to be located in more distressed areas than those retained.

OVERALL MPHA STOCK

This section of the analysis examines the impact of the demolition of the north side units and the disposition of the scattered-site units on the overall spatial distribution and overall neighborhood characteristics of MPHA units. This analysis was conducted using the distribution of public housing units as of the summer of 1999, with one exception. At that time, the Sumner Field and Olson Townhomes had been demolished north of Olson Memorial Highway, but the two projects on the south end of the north side site, Glenwood and Lyndale, were still standing. Although a final determination to demolish all of Glenwood and Lyndale occurred in late 1999 and those units were not completely demolished until May 2000, the analysis reflects the total demolition of the north side units. This analysis must be repeated in the future to reflect the new MPHA units that will be rebuilt on the

north side site as part of the mixed-income residential development being planned, as well as any other replacement units built or purchased in the city (see *Report No. 1: Policy Context and Previous Research on Housing Dispersal*).

Table 6 shows the initial analysis of the entire MPHA stock. In 1991 and 1994 (before the signing of the consent decree), there were 102 census tracts in Minneapolis that had public housing units in them, roughly 80% of the 126 census tracts in the city. The average census tract that had any MPHA units had a mean of 65 units during those years. The distribution of public housing units across census tracts, however, was extremely skewed in 1991 and 1994. Figures for 1994 show that 83% of all census tracts in the city had fewer than 65 units (which was the average for all census tracts), while 13 census tracts (12% of all tracts) had more than 200 units of public housing. These 13 census tracts accounted for 70% of all the public housing in the city.

After the first round of *Hollman*-related adjustments to the MPHA stock, there were 103 census tracts in the city with public housing (the increase reflects changes in the scattered-site stock), but the average tract had 54.6 units in 1999, about 10 fewer than in 1994. The reduction in concentration reflects the disposition of the scattered-site units and the demolition of the Sumner Field and Olson Townhomes, as well as the unrelated demolition of the Bryant Highrises in 1997. The distribution of public housing remained heavily skewed, however. Eighty-three percent of census tracts had fewer than 54 units (the citywide average), and just 10 census tracts had more than 200 units. These 10 census tracts accounted for 61% of all public housing in the city.

Table 6 shows a great deal of variation in the concentration of public housing units across type of unit. There were only 26 census tracts with high-rise units in 1991 and 1994, and these tracts averaged just under 200 high-rise units. In 1999, there were 2 fewer tracts with high-rise units, but the average per tract had risen to just above 200. In the years prior to *Hollman*, 3 census tracts in Minneapolis were home to 906 row-house units. After demolition of the four north side townhome developments, there was only a single census tract with row-house units, and it had 182 units, or 60% of the row-house units for the 3 tracts that had included them in 1994. When high-rise and row-house units are combined into what are called *project units*, the pattern for all non-scattered-site units can be seen. Prior to *Hollman* there were 27 census tracts with project units; by 1999, that number had fallen to 25. The average number of project units in a census tract that had any units fell from 223 to 202.

Because the MPHA housing stock (with the exception of scattered-site units) did not change from 1991 to 1994, in all following analyses only the 1994 figures were used to establish the pre-*Hollman* comparison.

Overall Spatial Distribution

Social scientists have long used a series of indices to summarize the spatial distribution of a range of phenomena. The most common application of these statistics is to measure the segregation of racial minorities (Taeuber and Taeuber 1965; Massey and Denton 1989, 1993). One such measure, the Index of Dissimilarity (D), has also been used to measure the spatial segregation of public and assisted

Table 6. Minneapolis Census Tracts (CTs) with Public Housing Units, 1991, 1994, and 1999

Year	All public housing units			High-rise units			Row-house units			Project units*			Scattered-site units		
	1991	1994	1999	1991	1994	1999	1991	1994	1999	1991	1994	1999	1991	1994	1999
CTs	102	102	103	26	26	24	3	3	1	27	27	25	95	93	94
Mean	65.4	65.0	54.6	197	197	203	302	302	182	223.3	223.3	202.5	6.8	6.5	6.0

* Project units include both high-rise and row-house units.

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housing (Warren 1986, 1987; Goering, Kamely, and Richardson 1997).¹ The index of dissimilarity ranges in value from 0 to 100. A value of 0 indicates there is perfect integration of the items being studied, while a value of 100 indicates perfect segregation. So in the case of the distribution of public housing units measured at the census tract level, a value of 0 would indicate that the percentage of housing units in each census tract that are public housing exactly matches the overall percentage of housing units that are public housing. A value of 100 would indicate that all public housing units are concentrated in one or a few census tracts that have no other type of housing. Conceptually, the index can be thought of as the percentage of public housing units that would need to be physically moved in order to create a perfect mix across all census tracts.

In Table 7, the D statistic for the overall public housing stock is quite high for both 1994 (73.8) and 1998 (73.7). Massey and Denton (1993) argue that a dissimilarity index over 60 should be considered “high.” By that standard, it appears that the Minneapolis public housing stock was highly segregated prior to the *Hollman* decree, and it remained highly segregated after the initial changes to the stock resulting from the decree. By comparison, however, Minneapolis public housing is not as segregated as other large midwestern cities; Warren (1987) shows that Chicago public housing reached 90.9 on the Index of Dissimilarity in 1980, and St. Louis public housing was at 88.2. The Minneapolis score reflects the high degree of segregation among high-rise (81.9 and 83.0) and row-house (98.4 and 99.4) projects, which individually record extremely high levels for both years. The scattered-site units record a low to moderate level of segregation (48 and 49) for the two years studied.

Overall Neighborhood Characteristics

Table 8 shows the location of public housing relative to census tracts of concentrated poverty and minority residence. The cells of this table include the number of census tracts with the particular type of public housing (defined by the column headings); the total number of units of that type in the census tract; and, in parentheses, the number of those units in the average census tract that had any units of that type. In 1994, for example, 2,076 public housing units were located in 65 census tracts that were neither race nor poverty concentrated. There was an average of 32 public housing units in those census tracts. By contrast, the 23 poverty- and race-concentrated tracts that had public housing in 1994 contained a total of 3,953, an average of 172 public housing units per tract. This pattern was repeated to a slightly lesser degree in 1999. In that year, the 23 race- and poverty-concentrated census tracts with public housing had an average of 131 units, compared to an average of 31 units of public housing in tracts that were not concentrated.

Table 7. Index of Dissimilarity (D) Statistics for Public Housing Units in Minneapolis, 1994 and 1999

	Total	High-rise	Row-house	Project*	Scattered-site[†]
1994	73.8	81.9	98.4	81.4	48.0
1999	73.7	83.0	99.4	82.4	49.3

* Project units include both high-rise and row-house units.

[†] Figures for scattered-site units are based on occupied units only. Figures for high-rise, row house, and project categories include all units.

¹ The computational formula for the index of dissimilarity is $D = .5 * \sum |(x_i/X) - (y_i/Y)|$, where

x_i = public housing units in tract i ,

X = citywide total of public housing units,

y_i = nonpublic housing units in tract i ,

Y = citywide total of nonpublic housing units.

Several points became clear about the Minneapolis public housing stock from Table 8. First, as Table 6 shows, project units were much more highly concentrated than were the scattered-site units, both before and after the settlement.

Second, for each category of public housing unit, the average race- and poverty-concentrated neighborhood had a significantly higher number of units than did the nonconcentrated tracts. Poverty- and race-concentrated tracts, on average, had over five times the number of public housing units that nonconcentrated tracts had in 1994. In 1999, poverty- and race-concentrated tracts had more than four times the number of units than nonconcentrated tracts. That pattern, although not to the same degree, was repeated for every category of public housing unit.

Third, the changes to the MPHA stock as a result of *Hollman* reduced but did not eliminate the disparities between census tract types. Despite the elimination of over 700 units of highly concentrated row-house public housing, the demolition of the nearby Bryant Highrise, and the elimination of 46 units of scattered-site housing in concentrated areas, the MPHA stock shows a heavy concentration in neighborhoods that are both race and poverty concentrated.

Fourth, not only were there more units in the average race- and poverty-concentrated neighborhood, but also those tracts were more likely to have any public housing; 23 of 25 race- and poverty-concentrated tracts had public housing (92%), compared to 31 of 81 (80%) nonconcentrated tracts (1999 figures). This pattern was as even as it was because of the scattered-site units. If only the project units were examined, 40% of race- and poverty-concentrated tracts would show such units, compared to 15% (12 of 81) of nonconcentrated tracts (1999 figures).

Fifth, Table 8 shows that most MPHA units were located in race- and poverty-concentrated tracts (60% in 1994 and 54% in 1999). Another 10% were located in tracts that were either race- or poverty-concentrated, leaving only 36%, or just over one-third, of MPHA units in census tracts not concentrated by race or by poverty, or by both.

Table 8. Location of Public Housing Units in Concentrated and Nonconcentrated Census Tracts, 1994 and 1999

	Total public housing units		High-rise units		Row-house units		Project units*		Scattered-site units	
	1994	1998	1994	1998	1994	1998	1994	1998	1994	1998
Nonconcentrated tracts (<i>n</i> = 81)	65 2,076 (32)	65 2,015 (31)	13 1,784 (137)	12 1,746 (145)	0	0	13 1,784 (137)	12 1,746 (145)	61 292 (4.8)	61 269 (4.4)
Poverty-concentrated tracts (<i>n</i> = 7)	3 295 (98)	3 293 (98)	1 109 (109)	1 109 (109)	1 182 (182)	1 182 (182)	2 291 (145)	2 291 (145)	1 4 (4.0)	1 2 (2.0)
Race-concentrated tracts (<i>n</i> = 13)	11 306 (28)	12 298 (25)	1 191 (191)	1 190 (190)	0	0	1 191 (191)	1 190 (190)	11 115 (10.4)	12 108 (9.0)
Poverty- and race-concentrated tracts (<i>n</i> = 25)	23 3,953 (172)	23 3,020 (131)	11 3,039 (276)	10 2,835 (238)	2 724 (326)	0	11 3,763 (392)	10 2,835 (238)	20 190 (9.5)	20 185 (9.2)

* Project units include both high-rise and row-house units.

Note: Each cell contains data on the number of census tracts in each category that have public housing units, followed by the total number of public housing units of each type in those census tracts and (in parentheses) the average number of public housing units per census tract.

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Table 9 breaks down census tracts into a series of dichotomous categories, based on whether the tract was above or below the citywide percentage on a range of household and housing stock characteristics. For example, in 1994 public housing units were located in 42 census tracts that were above the citywide percentage for residents of color. These tracts contained 4,504 units of public housing, an average of 90 units per tract. In comparison, there were public housing units in 60 tracts with a lower percentage of residents of color compared to the city as a whole, but these tracts contained only 2,126 units, or an average of 35 units per tract. In this instance, the figures indicate that there were almost three times as many public housing units in census tracts that were above the citywide mean in residents of color compared to those that were below the citywide mean. As with the other tables in this report, three types of relevant comparisons can be made: (1) comparison between the two groupings for each of the census data categories (for example, above and below the citywide percentage); (2) comparison between MPHA stock from 1994 (pre-*Hollman*) to 1999 (post-*Hollman*); and (3) comparison across all types of public housing (high-rise, row-house, and scattered-site).

A number of patterns emerge from the data presented in this table. First, in addition to greater concentration of public housing units in neighborhoods with high poverty (as first shown in Table 8 and expanded here), public housing was concentrated in census tracts with other indicators of social and economic disadvantage. The average number of public housing units in the census tracts above the citywide mean for persons on public assistance (122) was more than seven times the average number in tracts below the mean (16) in 1994. This pattern was more pronounced for employment; the average number of public housing units in census tracts below the citywide mean for percentage of the workforce employed (150) was almost nine times greater than the average number of MPHA units in tracts above the mean (17) in 1994. These disparities extend to housing stock characteristics. Public housing units were much more concentrated in neighborhoods below the citywide mean for percentage of the housing stock owner-occupied. In addition, public housing units tended to be in neighborhoods with more low-rent units and more low-value owner-occupied homes.

Second, the changes in the MPHA housing stock that have occurred since 1994 have in all cases reduced the disparities shown in Table 9, but have not eliminated them. Finally, the worst disparities occurred in the project units that account for most of the MPHA stock.

The last analysis that examined the changes in the MPHA housing stock is summarized in Table 10. This table shows the neighborhood demographic and housing stock characteristics of the average public housing unit in the city. Here the changes to the average neighborhood characteristics brought about by changes in the MPHA housing stock are easier to see. The average MPHA public housing resident (non-Section 8) lived in a neighborhood that was 59% White in 1994, compared to 67% White in 1999. The percentage of neighborhood residents who were very low income declined from 54.6% for the average 1994 unit to 51.2% for the average 1999 unit. These and the other changes were the result of the significant changes in the row-house stock. While there had been virtually no change in the neighborhood conditions of the average high-rise and scattered-site resident, the changes in the row-house category were extremely large. The average row-house unit in 1999 was in a neighborhood that had 24% fewer very low income residents than in 1994, a median income \$7,000 higher, 38% fewer households on public assistance, 22% fewer households in poverty, and 41% more members of the workforce employed.

Of course, the 1999 figures for row-house units were based on the single census tract in which row-house units existed in Minneapolis in 1999, compared to the three census tracts that had such units in 1994. Although the changes in the neighborhood characteristics of row-house units were dramatic, these units made up a small percentage of the entire MPHA stock. Indeed, the more than 700 units of row-house public housing demolished on the north side represent just over 10% of the city's entire public housing stock. Thus, the changes in the overall neighborhood characteristics of MPHA units were much more modest. But in each case, the movement was in the direction

Table 9. Number of Minneapolis Census Tracts with Public Housing Units, Number of Public Housing Units, and Average Number of Public Housing Units by Type of Tract and Type of Unit, 1994–1999

Census tracts . . .	Total public housing units		High-rise units		Row-house units		Project units*		Scattered-site units	
	1994	1999	1994	1999	1994	1999	1994	1999	1994	1999
Above CP of residents of color	42 4,504 90	43 3,561 83	13 3,261 251	12 3,056 255	3 906 302	1 182 182	14 4,167 298	13 3,238 249	38 337 8.9	39 323 8.3
Below CP of residents of color	60 2,126 35	60 2,065 34	13 1,862 143	12 1,824 152	0	0	13 1,862 143	12 1,824 152	55 264 4.8	55 241 4.4
Above CP of families in poverty	44 5,479 125	46 4,530 98	18 4,255 236	17 4,046 238	3 906 302	1 182 182	19 5,161 272	18 4,228 235	38 318 8.4	40 302 7.6
Below CP of families in poverty	58 1,151 20	57 1,096 19	8 868 108	7 834 119	0	0	8 868 108	7 834 119	55 283 5.1	54 262 4.8
Above CP of households with very low income	49 6,195 126	51 5,215 102	23 4,952 215	21 4,710 224	3 906 302	1 182 182	24 5,858 244	22 4,892 222	42 337 8.0	44 323 7.3
Below CP of households with very low income	53 435 8	52 411 8	3 171 57	3 170 57	0	0	3 171 57	3 170 57	51 264 5.2	50 241 4.8
Above the citywide median household income	51 366 7	50 344 7	1 92 92	1 91 91	0	0	1 92 92	1 91 91	50 274 5.4	49 253 5.2
Below the citywide median household income	51 6,264 123	53 5,282 100	25 5,031 201	23 4,789 208	3 906 302	1 182 182	26 5,937 228	24 4,971 207	43 327 7.6	45 311 6.9
Above CP of persons on public assistance	47 5,752 122	48 4,800 100	19 4,516 238	18 4,306 239	3 906 302	1 182 182	20 5,422 271	19 4,488 236	41 330 8.0	42 312 7.4
Below CP of persons on public assistance	55 878 16	55 826 15	7 607 87	6 574 96	0	0	7 607 87	6 574 96	52 271 5.2	52 252 4.8
Above CP of female-headed households	49 3,881 79	50 2,900 58	14 2,574 184	12 2,341 195	3 906 302	1 182 182	15 3,480 232	13 2,523 194	47 401 8.5	48 377 7.8
Below CP of female-headed households	53 2,749 52	53 2,726 51	12 2,549 212	12 2,539 212	0	0	12 2,549 212	12 2,539 212	46 200 4.3	46 187 4.6
Above CP of persons employed	65 1,084 17	66 1,063 16	7 574 82	7 572 82	1 182 182	1 182 182	8 756 94	8 754 94	61 328 5.4	62 309 5.0
Below CP of persons employed	37 5,546 150	37 4,563 123	19 4,549 239	17 4,308 253	2 724 362	0	19 5,273 278	17 4,308 253	32 273 8.5	32 255 8.0
Above CP of homeowners	54 657 12	53 633 12	3 333 111	3 333 111	0	0	3 333 111	3 333 111	54 324 6.0	53 300 5.7
Below CP of homeowners	48 5,973 124	50 4,993 100	23 4,790 208	21 4,547 217	3 906 302	1 182 182	24 5,696 237	22 4,729 215	39 277 7.1	41 264 6.4
Above CP of units at low rent	34 6,054 178	34 5,110 150	23 4,951 215	22 4,741 215	3 906 302	1 182 182	24 5,857 244	23 4,923 214	27 197 7.3	27 187 6.9
Below CP of units at low rent	68 576 8	69 516 7	3 172 57	2 139 69	0	0	3 172 57	2 139 69	66 404 6.1	67 377 5.6
Above CP of low-value single-family homes	65 4,750 73	65 3,760 58	18 3,531 196	16 3,297 206	2 724 362	0	18 4,255 236	16 3,297 206	63 495 7.8	63 463 7.3
Below CP of low-value single-family homes	37 1,880 51	38 1,866 49	8 1,592 199	8 1,583 198	1 182 182	1 182 182	9 1,774 197	9 1,765 196	30 106 3.5	31 101 3.2

Note: CP stands for citywide percentage.

* Project units include both high-rise and row-house units.

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envisioned by the consent decree settlement. The neighborhoods in which MPHA units existed had marginally greater numbers of White residents and were marginally more prosperous.

CONCLUSION

The overwhelming preponderance of data analyzed in this report suggest that changes in the MPHA housing stock due to the *Hollman* decree produced the type of results that the litigants desired. The neighborhood characteristics of the average MPHA unit were different in 1999 than they were prior to the decree. The concentration of units in high-poverty and high-minority areas was reduced. In 1999, the average MPHA neighborhood had more White residents, less poverty, fewer very low income households, fewer families receiving public assistance, more persons employed, and slightly more homeowners. The housing stock in the typical MPHA neighborhood in 1999 was characterized by fewer very low rent units and very low value homes. On the other hand, the extent of these

Table 10. Selected Neighborhood Characteristics for Average Minneapolis Public Housing Unit, 1994 and 1999

Characteristics	TOTAL		High-rise		Row house		Project		Scattered-site	
	1994	1999	1994	1999	1994	1999	1994	1999	1994	1999
Pct. White residents	59.1%	67.4%	65.7%	67.7%	20.4%	77.9%	58.9%	68.1%	61.8%	61.0%
Pct. African American residents	22.0%	18.0%	18.6%	17.4%	38.1%	5.3%	21.5%	17.0%	26.4%	27.2%
Pct. Asian residents	12.0%	6.8%	8.0%	6.8%	39.7%	13.6%	12.7%	7.0%	5.1%	5.2%
Pct. very low income households	54.6%	51.2%	54.4%	53.5%	70.0%	46.5%	56.7%	53.2%	33.0%	33.3%
Median household income	\$14,201	\$15,191	\$13,916	\$14,161	\$9,335	\$16,213	\$13,228	\$14,235	\$23,965	\$23,818
Pct. residents on public assistance	26.5%	21.1%	23.1%	21.7%	51.3%	13.0%	27.4%	21.4%	18.1%	18.4%
Child poverty rate	39.1%	47.9%	38.7%	37.8%	50.6%	68.3%	40.5%	49.3%	25.1%	25.1%
Family poverty rate	39.6%	34.3%	36.4%	34.5%	67.6%	45.6%	41.1%	35.4%	24.7%	25.0%
Pct. homeowners	23.0%	25.6%	22.5%	23.0%	5.4%	10.9%	19.9%	22.5%	53.9%	53.4%
Pct. units built pre-1939	33.9%	37.0%	34.3%	35.0%	17.3%	33.0%	31.7%	34.9%	56.4%	56.3%
Pct. units with 3+ bedrooms	19.1%	19.7%	17.0%	17.1%	15.3%	19.0%	16.8%	17.2%	41.9%	41.8%
Pct. low-rent units	47.8%	42.7%	47.6%	46.4%	69.4%	23.9%	50.9%	45.6%	17.2%	17.5%
Pct. low-value units	70.5%	65.6%	66.9%	65.6%	84.2%	21.6%	69.5%	64.0%	80.7%	80.1%
Pct. female-headed household	11.9%	8.9%	9.2%	8.2%	25.3%	8.1%	11.6%	8.2%	14.6%	14.8%
Pct. employed	59.6%	63.5%	61.1%	62.1%	44.6%	85.1%	58.6%	63.0%	68.8%	68.7%
N	6,630	5,626	5,123	4,880	906	182	6,029	5,062	601	564

changes was by all measures slight. The overall housing stock of the MPHA remained as spatially segregated in 1999 as it was in 1994. The large majority of MPHA units remained in concentrated neighborhoods, and remained in neighborhoods above the citywide mean on virtually every indicator of social distress.

In all likelihood, more change in the profile of the MPHA housing stock will occur when the replacement units have been built. This will add to the dispersal of MPHA units to census tracts where they have not been located (at least in sizable numbers) in the past. When this analysis is undertaken again after the construction or purchase of these units, one can expect a larger degree of change in the public housing stock of the city of Minneapolis.

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HOLLMAN v. CISNEROS

Deconcentrating Poverty in Minneapolis

**Report No. 5:
Relocation of Residents from
North Side Public Housing**

by Edward G. Goetz

Center for Urban and Regional Affairs
University of Minnesota



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INTRODUCTION

The consent decree in *Hollman v. Cisneros*, signed in 1995, committed the Minneapolis Public Housing Authority, the U.S. Department of Housing and Urban Development, and their co-defendants to a series of dramatic policy changes. First, four north side public housing projects and dozens of scattered-site public housing units would be reviewed for possible demolition or disposition. Second, the defendants would create up to 770 units of replacement public housing in nonimpacted areas of the city and suburbs. Third, the displaced residents of the demolished scattered-site and north side public housing were to be relocated with public assistance. Fourth, the 73-acre north side site was to be redeveloped. Fifth, hundreds of tenant-based housing subsidies would be made available to Minneapolis public housing residents to enable them to move out of areas of race and poverty concentration. Sixth, changes in the operation of the Minneapolis Section 8 program would occur to make it easier for participants to exercise geographic choice. Finally, an affordable housing clearing-house would be created to provide low-income families a centralized source of information about housing options in the metropolitan area.

The Center for Urban and Regional Affairs (CURA) at the University of Minnesota was contracted by the Family Housing Fund of Minneapolis–St. Paul and by the State of Minnesota in 1998 to conduct an evaluation of the implementation of the consent decree. This is the fifth in a series of eight reports generated by the consent decree.

This report presents an analysis of the relocation of public housing residents from the four north side public housing projects demolished pursuant to the *Hollman v. Cisneros* consent decree. The report considers residents' relocation preferences, outcomes of the relocation process, preference matching in the relocation process, conditions in the relocation neighborhoods, and the issue of reconcentration as a result of the process. Information on relocatees' preferences for resettlement and their actual relocation outcomes was taken from the files kept on each family by the agencies that managed the relocation process.

RELOCATION OF RESIDENTS FROM NORTH SIDE PUBLIC HOUSING

This report presents an analysis of the relocation of public housing residents from the four north side projects demolished by the Minneapolis Public Housing Authority (MPHA) pursuant to the consent decree. The report is divided into several parts. The first part describes the relocation process and the assistance provided to the displaced families. The main objective of this report, however, is to examine the relocation outcomes for the families of the north side projects. The outcomes were measured in a number of ways; the first was based on the stated preferences of relocatees related to the type of housing they wished to occupy and the location of the community in which they wanted to resettle. These preferences were also matched against the actual outcomes for relocatees. What percentage of households was able to meet their preferences for housing type and location? Were certain types of households more successful in meeting their preferences than other types? In addition, this report examines the types of neighborhoods to which families relocated. Were relocatees able to locate housing in nonconcentrated neighborhoods? What is the neighborhood profile for the average relocated family? The spatial outcomes of the relocation process were also considered. How far away did relocatees move from their previous home on the north side of Minneapolis? Each of these analyses focuses on the degree to which demolition and forced relocation of families was likely to result in deconcentration of poverty or improvement in neighborhood conditions.

DATA

Several data sources were used in this report. First, interviews were conducted with relocation counselors during 1998 and 1999 to gather information on their practices and on the relocation process in general. The relocation of families from the Sumner Field and Olson projects was completed prior to the beginning of this research. The relocation of these families was managed by the Sumner Olson Residents Council (SORC). During the study period, the demolition of units and the relocation of families from the Glenwood and Lyndale site took place. The relocation was managed by the W. D. Schock Company. Interviews and observations were limited to the relocation of families conducted by the Schock Company.

A summary of a study conducted in 1996 by the Urban Coalition is also included, filling a gap in CURA's study by summarizing residents' views of the relocation process. These views were collected through interviews with relocatees. Although CURA conducted interviews with relocatees as well, those data are reported in *Report No. 6: The Experiences of Dispersed Families*.

The primary data used for this report were the relocation files of the Minneapolis Public Housing Authority (MPHA). Relocation counselors maintained a file for each family relocated from the north side projects. The files provided basic demographic information on the families, as well as information on preferences and ultimate relocation outcomes. This information was combined with census data to create profiles of the neighborhoods that the relocatees had previously occupied (the 73-acre north side site encompassed two census tracts) and the neighborhoods to which the families were relocated.

THE RELOCATION PROCESS

The first public housing projects demolished pursuant to the consent decree were those located on the north side of Olson Memorial Highway, namely the Olson Townhomes and the Sumner Field Townhomes. The relocation of these families began in August 1995 and was substantially completed one year later. Ninety percent of the relocations from these two projects had occurred by August 15, 1996. Relocation of families from the Glenwood and Lyndale projects began in August 1998 and continued until May 2000.

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Families at all four sites were provided access to the same set of benefits and supports during the relocation process. The U.S. Department of Housing and Urban Development (HUD) provided MPHA with \$1.75 million to fund mobility counseling for 1,750 households. This number included the displaced families from the north side as well as families using the “mobility certificates” made available by HUD pursuant to the decree (see *Report No. 7: Mobility Certificates*).

The Metropolitan Council added \$100,000 and the Minneapolis Community Development Agency provided \$175,000 to fund the costs of mobility and relocation counseling. Families were provided with \$750 for actual moving expenses. Those families that wanted to purchase homes were eligible to receive \$5,250 toward closing costs and down payments.

In addition to the financial resources made available to relocatees, the relocation agencies provided counseling assistance. The agencies, SORC and Schock, met with residents at the beginning of and throughout the process to provide them with information, give them leads on potential units, and assist families in seeing the units and signing leases. The relocation agencies did not meet with all families, however. The Urban Coalition survey indicated that just under two-thirds of the respondents met with SORC staff during the relocation process. This percentage does not include less formal contact between SORC staff and residents, and thus underestimates the actual amount of contact (Urban Coalition 1997). Schock used public meetings, mailings, and door-knocking to contact as many residents as possible in the Glenwood and Lyndale projects. By their records, they opened files and met with 193 of 212 resident households living at the two projects when the agency began its work.

In conducting the relocation from the north side projects, SORC and W. D. Schock provided a range of support to the north side families. The agencies helped some residents prepare to meet prospective landlords, paid for rental application fees for people using Section 8 vouchers to relocate, “secured the key for [residents’] new housing, told them what day to move, [and] advised them about what to take to their new housing, or completed paper work involved in the move” (Urban Coalition 1997, p. 25).

The relocation agencies also arranged childcare, transportation, and translation assistance. Six percent of displaced families with children interviewed by the Urban Coalition took advantage of the childcare assistance, although one-third of the respondents with children reported that they were unaware that such assistance was available. Almost two-thirds of the Urban Coalition survey respondents reported that they received transportation to view housing units.

The Process of Relocation at Glenwood and Lyndale

By 10:30 AM on August 19, 1998, 92 people had already been into the relocation office of W. D. Schock to sign up for relocation counseling meetings. The office was located in a vacant public housing unit on the edge of the Glenwood project, at the corner of Girard Terrace and Fifth Avenue North. In addition to the 92 people who had walked to the office, there were numerous calls by tenants who could not make the sign-up session. The line had formed by 7:30 AM, and at one point it went around the corner of the block. Schock counselors had conducted orientation meetings the previous week. Most of the families present had brought in their children for translation purposes.

There were 212 families in these two projects originally. As many as 161 attended the open house sessions, while 6 other families requested and were mailed information because they could not attend the open house. An additional 22 families were hand-delivered information by Schock because they did not attend the open house or contact Schock on their own. In the end, Schock assisted in the relocation of 193 families. Of the 212 families that originally lived in the two projects, 13 were not eligible for relocation, 12 having violated their lease agreement with MPHA and one person having died prior to relocation. Three families were assisted in their relocation by MPHA prior to the time that Schock began working at the site.

According to the relocation counselors, those families that did not sign up immediately for a counseling session fit into one of three categories. The first was a group of people who were simply not interested in moving. Although Schock personnel indicated during the study that these were primarily people who had lived in public housing for many years, the data indicate no such relationship. Those beginning the process later were, however, slightly more likely to be Southeast Asian residents, compared to all other groups. The second group of people who did not attend the sign-up sessions, according to Schock counselors, consisted of those who did not have a preference for when they wanted to relocate. Finally, there was a group of families that simply preferred being among the last to be relocated because their children were about to start school and they did not want to go through this transition process during the school year. Even this, however, was not a universal phenomenon because the data show no relationship between having children and the date of intake into the relocation process.

By 10:30 AM on August 19, 1998, Schock was telling people that their first interview would be about two or three months away because of the backlog that had accumulated already. The company's first four cases were families that were already in the process of buying homes, and that had started that process before learning of the opportunity for relocation assistance. Interviews with the rest of the residents began the week of August 26.

Some families were told that they had to reduce their expectations about how quickly the relocation could be completed. Schock counselors told families that even if they found a house or apartment on their own, it could take 30 to 60 days to complete the paperwork and get the inspection done. Inspections were performed on all units to which relocatees resettled.

MPHA held aside larger units in their inventory as they became available and gave priority to the relocatees from the Glenwood and Lyndale projects. There were 29 families among the Glenwood/Lyndale relocatees that had more than eight people and thus required four- and five-bedroom units. In the end, however, these larger families were no more likely to go to public housing than others, although they were two-and-a-half times more likely (35% to 14%) to become homeowners. Understandably, none of these families moved into Section 8 housing.

At the Initial Counseling Session

The initial counseling sessions were used to explain the process to residents and to determine their preferences and their needs related to the relocation. Schock counselors were guided by the principle of finding "comparable" housing for each family. Comparability was defined in terms of affordability, size, and quality (for instance, the number of bathrooms, number of bedrooms, finished square footage, and other amenities like washer, dryer, and dishwasher).

Families that expressed an interest in purchasing a home were referred to Thompson and Associates, a firm that specializes in assisting low-income families with homeownership. Schock counselors worked with Thompson and Associates to help residents resolve credit issues and access lenders with experience in the low end of the market.

RELOCATION OUTCOMES

This section presents a summary of the Urban Coalition study of Sumner relocatees, followed by an analysis of the data taken from the relocation files for each family assisted by SORC and W. D. Schock.¹

¹ Thanks goes to the Minneapolis Public Housing Authority and W. D. Schock Company for their cooperation in making these data available, and for answering questions related to them.

Perceptions of the Relocation Process: The Urban Coalition Study

The Urban Coalition study was based on in-person interviews with 50 former residents of the Sumner Field project who underwent relocation in 1996. The sample included 25 Hmong, 20 African American, and 5 Laotian residents. The study focused on relocatees' perceptions of the relocation process itself, their new homes and neighborhoods, and the relocation services they received from the Sumner Olson Residents Council. This report summarizes the residents' views of the relocation process and the relocation services they received. A summary of the residents' views of their new homes and neighborhoods will be incorporated into *Report No. 6: The Experiences of Displaced Families*.

The Urban Coalition interviewers found that "initial feelings about having to move from Sumner Field were equally split between positive replies and negative replies" (1997, p. ii). Most of the African American families reported wanting to move, while many of the Southeast Asian families did not want to move. There was some confusion about the relocation process, according to the families interviewed. One-sixth reported that they did not know why they had to move from Sumner Field, and nearly one in four reported that they were not given enough time to move out of their units. All of those who felt rushed in the process were Southeast Asian families. Southeast Asian families also reported greater difficulty in finding new homes than did African American respondents. Most families, however, reported that they were given enough time, and that they understood the process.

Most respondents found the relocation services provided by SORC to be helpful. Three in four respondents reported that SORC staff were helpful, almost two-thirds said they received the information they needed to search for new housing, and three-fourths reported that SORC staff provided them with clear explanations. Those who were dissatisfied with the process tended to be Southeast Asian (in particular, Hmong) families.

Many families received assistance with transportation, interpreting, and childcare during the relocation process. However, a sizable number of respondents also reported that they were unaware that such services were available, and that they would have taken advantage of them had they known.

In all, the report shows a process that seemed to work for most people. However, there were families—generally Hmong—for whom the process did not work as well. These families felt rushed, worried about their future, and were dissatisfied with the information and services they received from SORC.

Population Characteristics

Because of vacancies and the fact that some families had moved away prior to the official relocation, the data on relocation outcomes reported here include 440 households relocated by MPHA. In 1996, the Sumner Field and Olson public housing projects were demolished and 247 households relocated. Between 1998 and 2000, MPHA relocated an additional 193 families from the Glenwood and Lyndale projects. Relocation of all families was completed in May 2000.

Residents who qualified for relocation assistance by MPHA could choose to receive a Section 8 subsidy in their new apartment, to relocate into other public housing, or to receive down-payment assistance for the purchase of a home. Relocatees were not restricted geographically (other than the market restrictions related to the availability of suitable replacement housing).

The average household size for families relocated from the north side was 4.1. Overall, 34% were one- or two-person households, 34% were households with three or four persons, and 32% were households of five or more. Just more than one-half (51%) of the households were single-parent families. The average age of the head of household was 42.5, with 22% being older than 55. Only 22% of the household heads were employed at the time of resettlement, and the average monthly income was \$932. The average family moved into their north side unit in May 1991, although one family had lived there since 1951.

When the *Hollman* lawsuit was first filed in 1992, African Americans comprised the majority of residents in the north side projects. The lawsuit itself was a response to decades-long discrimination that Blacks have suffered in U.S. housing policy and housing markets. By the time of the settlement, however, Southeast Asian refugees had become the predominant ethnic group. When the MPHA proceeded with demolition of Sumner Field and Olson, the Asian community protested bitterly, complaining that the demolition would disrupt networks of social support (see *Report No. 2: Planning for North Side Redevelopment*). By the time of relocation, Southeast Asian residents were by far the most numerous ethnic group on the north side site. The racial breakdown of families at the time of relocation was 4% White, 39% Black, 57% Southeast Asian, and less than 1% American Indian.

Preferences

Housing choices and outcomes varied depending on several factors, according to the relocation file data. One set of factors is demographic status, including household size, whether the family had a single parent, age of the head of household, and race or ethnic group. A second set of factors such as employment status and income represents resources that households either have or lack that could impact their relocation experience. In addition, the data measured the length of time the household resided in the north side public housing, testing the hypothesis that longer term residents may have become more dependent upon public housing assistance over time, and therefore less able to adjust to the relocation process. For this purpose, the report distinguishes between those relocatees who had occupied their north side unit for more than 10 years, and those who had lived there for less than 10 years.

Location Preferences

Relocation counselors recorded up to three locational preferences for each relocatee household. Typically, the preferences identified specific communities such as “north Minneapolis” or “Brooklyn Park” (an inner-ring suburb to the north of Minneapolis), although a small number included more general references such as “Minneapolis” or “the suburbs.” Table 1 lists the preferences of relocatees by area. Because relocatees could identify more than one preferred location, the number of responses listed in the table exceeds the number of relocatees. By far the most common relocation preference was a desire to stay in north Minneapolis (43.7% of all preferences). Another 5% of the responses were for northeast Minneapolis, while 22% were for south Minneapolis. Taken together, 71% of the desired locations for resettlement were within the Minneapolis city limits. Preferences that were not within Minneapolis tended to be for northern inner-ring suburbs such as Brooklyn Park, Brooklyn Center, Robbinsdale, and New Hope. A smaller number of responses indicated other suburban areas as desired locations.

There were some significant differences in preferred location by ethnic group. North Minneapolis accounted for half of the responses by Southeast Asian relocatees, compared to just more than one-third of African American responses and 29% of the responses from White families. On the other hand, Southeast Asian relocatees were slightly less likely to indicate northeast Minneapolis and south Minneapolis as preferred locations, compared to White and Black respondents.

Table 1 also breaks down the data by whether or not the household was led by a single parent, and whether the head of household was less than 55 years of age or 55 and older. Size of the household was also considered. There were very small differences in preferred location by single-parent households. A slightly smaller percentage of the responses from single parents identified north Minneapolis as the desired resettlement location (41% to 46%). “Senior” (aged 55 and older) households, however, were slightly more likely to name north Minneapolis as a desired location than other households. Only 8% of their responses named the northern inner-ring suburbs, compared to 15% of the responses of “non-senior” (less than 55 years of age) households. Finally, larger families were more likely to indicate north Minneapolis as a desired resettlement location.

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Table 1. Preferred Location of North Side Relocates by Selected Household Characteristics

Preferred location	Total	White	Black	SE Asian	Non-single parent	Single parent	Under age 55	Age 55 or older	Small household (1-2)	Medium household (3-4)	Large household (5 or more)
N. Minneapolis	247 (43.7)	7 (29.2)	72 (34.4)	167 (50.9)	129 (46.1)	114 (41.3)	185 (41.9)	52 (50.5)	74 (41.1)	76 (40.0)	97 (50.0)
NE Minneapolis	27 (4.8)	2 (8.3)	14 (6.7)	10 (3.0)	15 (5.4)	12 (4.3)	22 (5.0)	5 (4.9)	9 (5.0)	9 (4.7)	9 (4.6)
S. Minneapolis	125 (22.1)	8 (33.3)	56 (26.8)	59 (18.0)	64 (22.9)	58 (21.0)	100 (22.5)	21 (20.4)	38 (21.1)	42 (22.1)	45 (23.2)
St. Paul	13 (2.3)	—	4 (1.9)	9 (2.7)	7 (2.5)	5 (1.8)	11 (2.5)	2 (1.9)	5 (2.8)	2 (1.1)	6 (3.1)
N. inner ring	76 (13.5)	4 (16.7)	28 (13.4)	44 (13.4)	35 (12.5)	41 (14.9)	65 (14.6)	8 (7.8)	23 (12.8)	33 (17.4)	20 (10.3)
W. inner ring	17 (3.0)	—	9 (4.3)	8 (2.4)	7 (2.5)	10 (3.6)	16 (3.6)	1 (1.0)	5 (2.8)	8 (4.2)	4 (2.1)
SW suburbs	19 (3.4)	1 (4.2)	10 (4.8)	8 (2.4)	7 (2.5)	12 (4.3)	15 (3.4)	3 (2.9)	9 (5.0)	6 (3.2)	4 (2.1)
NW suburbs	9 (1.6)	—	1 (0.5)	8 (2.4)	5 (1.8)	4 (1.4)	9 (2.0)	—	1 (0.6)	4 (2.1)	4 (2.1)
Suburbs	5 (0.9)	—	4 (1.9)	1 (0.3)	1 (0.4)	4 (1.4)	3 (0.7)	2 (1.9)	2 (1.1)	3 (1.6)	2 (1.0)
Out of metro area	9 (1.6)	—	7 (3.3)	2 (0.6)	2 (0.7)	6 (2.2)	7 (1.6)	2 (1.9)	4 (2.2)	3 (1.6)	2 (1.0)
None	18 (3.2)	2 (8.3)	4 (1.9)	12 (3.7)	8 (2.9)	10 (3.6)	11 (2.5)	7 (6.8)	10 (5.6)	4 (2.1)	3 (1.5)
TOTAL	565	24	209	328	280	276	444	103	180	190	194

Note: Figures in parentheses are column percentages. Columns may not add to 100% due to rounding.

Table 2 aggregates the preferred locations listed in Table 1 into three categories: central city (Minneapolis or St. Paul), inner-ring suburbs, or outside the inner ring (including out of the metropolitan area). Some of the patterns across household type are easier to see in this table. Most of the preferred locations identified by relocatees were in the central cities (76%), while only 7% indicated a preference for anything outside of the central city or inner-ring suburbs. Using these three categories, however, there was very little difference across ethnic groups. Indeed, collapsing the preferred locations into these categories obscures the greater preference for the north side among Southeast Asian relocatees. There was a significantly greater predisposition among senior households to prefer the central city to the suburbs (85% to just 74% of non-senior households). Larger households were also more likely to express a preference for the central city as a resettlement location (82%, compared to 70% of mid-sized families, and 75% of smaller families). Generally speaking, however, there were few very significant differences across any of the groups analyzed.

Tables 3 and 4 show the preferred locations of relocatees broken down by other categories. Household monthly income did not seem to drive location preference in a significant way. A slightly higher percentage of the highest income relocatees (49%) identified the north side as the desired resettlement location compared to the lowest income group (40%). The lowest income group was less likely to mention the inner-ring suburbs than members of the higher income group (12% to 20%—Table 3). Somewhat paradoxically, however, the lowest income group was more likely to

Table 2. Preferred Location (by Ring) by Selected Household Characteristics

Preferred location	Total	White	Black	SE Asian	Non-single parent	Single parent	Under age 55	Age 55 or older	Small household (1-2)	Medium household (3-4)	Large household (5 or more)
Central city	412 (76.0)	17 (77.3)	146 (72.6)	245 (77.8)	215 (79.3)	189 (72.1)	318 (74.0)	80 (85.1)	126 (75.0)	129 (70.5)	157 (82.2)
Inner-ring suburbs	93 (17.1)	4 (18.2)	27 (18.4)	52 (16.5)	42 (15.5)	51 (19.5)	81 (18.8)	9 (9.6)	28 (16.7)	41 (22.4)	24 (12.6)
Outside the inner ring	37 (6.8)	1 (4.5)	18 (9.0)	18 (5.7)	14 (5.2)	22 (8.4)	31 (7.2)	5 (5.3)	14 (8.3)	13 (7.1)	10 (5.2)
TOTAL	542	22	201	315	271	262	430	94	168	183	191

Note: Figures in parentheses are column percentages.

Table 3. Preferred Location by Selected Resource Characteristics

Preferred location	Monthly income			Employment status		Long-term public housing resident	
	< \$600	\$600 to \$1,200	> \$1,200	Not employed	Employed	< 10 years	> 10 years
N. Minneapolis	65 (40.1)	110 (44.5)	61 (48.8)	190 (45.9)	45 (39.5)	192 (42.5)	41 (51.9)
NE Minneapolis	11 (6.8)	13 (5.3)	2 (1.6)	19 (4.6)	6 (5.3)	21 (4.6)	5 (6.3)
S. Minneapolis	39 (24.1)	50 (20.2)	27 (21.6)	89 (21.5)	25 (21.9)	102 (22.6)	16 (20.3)
St. Paul	4 (2.5)	7 (2.8)	2 (1.6)	9 (2.2)	4 (3.5)	12 (2.7)	1 (1.3)
N. inner ring	16 (9.9)	37 (15.0)	20 (16.0)	51 (12.3)	20 (17.5)	66 (14.6)	8 (10.1)
W. inner ring	3 (1.9)	8 (3.2)	5 (4.0)	13 (3.7)	4 (3.5)	14 (3.1)	—
SW suburbs	10 (6.2)	7 (2.8)	1 (0.8)	17 (4.1)	1 (0.9)	16 (3.5)	2 (2.5)
NW suburbs	3 (1.9)	2 (0.8)	4 (3.2)	5 (1.2)	4 (3.5)	9 (2.0)	—
Suburbs	1 (0.6)	2 (0.8)	—	2 (0.5)	1 (0.9)	2 (0.4)	2 (2.5)
Out of metro area	3 (1.9)	5 (2.0)	1 (0.8)	9 (2.2)	—	8 (1.8)	—
None	7 (4.3)	6 (2.4)	2 (1.6)	10 (2.4)	4 (3.5)	10 (2.2)	4 (5.1)
TOTAL	162	247	125	414	114	452	79

Note: Figures in parentheses are column percentages.

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Table 4. Preferred Location (by Ring) by Selected Resource Characteristics

Preferred location	Monthly income			Employment status		Long-term public housing resident	
	< \$600	\$600 to \$1,200	> \$1,200	Not employed	Employed	< 10 years	> 10 years
Central city	119 (77.3)	180 (75.3)	92 (74.8)	307 (76.4)	80 (73.4)	327 (74.3)	63 (86.3)
Inner-ring suburbs	19 (12.3)	45 (18.8)	25 (20.3)	64 (15.9)	24 (22.0)	80 (18.2)	8 (11.0)
Outside the inner ring	16 (10.4)	14 (5.9)	6 (4.9)	31 (7.7)	5 (4.6)	33 (7.5)	2 (2.7)
TOTAL	154	239	123	402	109	440	73

Note: Figures in parentheses are column percentages.

mention a preferred destination outside of the central city and inner-ring suburbs than the highest income group (10% to 5%—Table 4).

Unemployed households were slightly more likely to mention the north side as a relocation site compared to employed households (46% to 40%), and less likely, by the same margin, to mention the inner-ring suburbs (16% to 22%). Long-term public housing residents were more likely to want to stay on the north side than shorter term residents (52% to 43%), and generally expressed a greater preference for the central city than for suburban sites (86% to 74%).

Program Preferences

Relocates were also asked to indicate their preference for type of housing. This analysis examines three different types: homeownership, public housing (either scattered-site, highrise, or townhouse development), or Section 8. Homeownership was the preferred housing type for 22.4% of respondents, while public housing (overwhelmingly scattered-site) was preferred by 32.1%, and Section 8 by 38.8% of the relocating families (7% stated no preference).

As Tables 5 and 6 show, a number of household and resource characteristics were associated with different program preferences. One-fourth of Southeast Asian relocates indicated a preference for homeownership, compared to 20% of Black and 19% of White relocates. Southeast Asian residents

Table 5. Preferred Program by Selected Household Characteristics

Preferred program	Total	White	Black	SE Asian	Non-single parent	Single parent	Under age 55	Age 55 or older	Small household (1–2)	Medium household (3–4)	Large household (5 or more)
Homeownership	90 (22.4)	3 (18.8)	31 (20.3)	56 (24.2)	49 (24.5)	41 (20.8)	79 (25.7)	11 (13.3)	23 (17.6)	21 (15.3)	45 (33.8)
Public housing	129 (32.1)	4 (25.0)	47 (30.7)	76 (32.9)	66 (33.0)	62 (31.5)	97 (31.6)	24 (28.9)	35 (26.7)	46 (33.6)	48 (36.1)
Section 8	156 (38.8)	7 (43.8)	65 (42.5)	84 (36.4)	72 (36.0)	82 (41.6)	112 (36.5)	41 (49.4)	63 (48.1)	59 (43.1)	34 (25.6)
None	27 (6.7)	2 (12.5)	10 (6.5)	15 (6.5)	13 (6.5)	12 (6.1)	19 (6.2)	7 (8.4)	10 (7.6)	11 (8.0)	6 (4.5)
TOTAL	402	16	153	231	200	197	307	83	131	137	133

Note: Figures in parentheses are column percentages.

Table 6. Preferred Program by Selected Resource Characteristics

Preferred program	Monthly income			Employment status		Long-term public housing resident	
	< \$600	\$600 to \$1,200	> \$1,200	Not employed	Employed	< 10 years	> 10 years
Homeownership	7 (5.9)	31 (18.2)	45 (50.0)	36 (12.5)	48 (57.1)	79 (25.4)	8 (12.1)
Public housing	39 (33.1)	59 (34.7)	24 (26.7)	99 (34.3)	17 (20.2)	88 (28.3)	37 (56.1)
Section 8	60 (50.8)	70 (41.2)	17 (18.9)	133 (46.0)	15 (17.9)	123 (39.5)	17 (25.8)
None	12 (10.2)	10 (5.9)	4 (4.4)	21 (7.3)	4 (4.8)	21 (6.8)	4 (6.1)
TOTAL	118	170	90	289	84	311	66

Note: Figures in parentheses are column percentages.

were the least likely to indicate a preference for Section 8 housing. Single parents also were less likely to prefer homeownership than non-single parents (21% to 25%), and were more likely to identify Section 8 as their preferred housing type (42% to 36%). As might be expected, senior families were less likely to prefer homeownership than other families (13% to 26%), and were significantly more likely to identify Section 8 as a preference (49% to 37%). Thirty-four percent of larger households indicated a preference for homeownership, compared to 15% of mid-sized and 18% of smaller households. On the other hand, larger families were least likely to prefer Section 8 when compared to smaller families (26% to 48%). This, too, is understandable given the scarcity of larger rental units in the marketplace, and the difficulty for large families to successfully use a Section 8 voucher.

Program preference varied significantly by income and employment status (see Table 6). Respondents in the highest income category preferred homeownership to public housing and Section 8 by 50%, 27%, and 19% respectively. On the other hand, more than half of the lowest income households preferred Section 8, while 33% preferred public housing, and 6% preferred homeownership. Similarly, 57% of the employed households expressed a preference for homeownership (compared to 20% for public housing and 18% for Section 8), while the largest group of unemployed households (46%) favored Section 8.

The longer a family resided in the north side projects, the more likely they were to prefer to remain in public housing. More than half (56%) of families that had lived in the north side public housing for more than 10 years preferred to stay in public housing, compared to only 28% of relocatees who had lived in the projects for less than 10 years.

Table 7 reveals that the agency that facilitated the relocation of the families had a significant impact on the expressed preferences of the relocatees. More than one-half of the families relocated from the Glenwood and Lyndale

Table 7. Preferred Program by Relocation Agency

Preferred program	SORC	Schock
Homeownership	40 (18.9)	51 (26.6)
Public housing	30 (14.2)	99 (51.6)
Section 8	121 (57.1)	35 (18.2)
None	21 (9.9)	7 (3.6)
TOTAL	212	192

Note: Figures in parentheses are column percentages.

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projects by W. D. Schock expressed a preference for public housing, compared to only 14% of the families relocated from the Sumner-Olson projects by SORC. Well more than half of the families relocated by SORC were interested in Section 8 housing. These differences reflect the roles of the agencies in suggesting alternatives to the families, as well as variations in the housing market at the time. The relocation from Glenwood and Lyndale took place during 1999 and 2000, when the Twin Cities housing market was extremely tight and vacancy rates were below 2%. As is widely known by professionals in the field, Section 8 certificates and vouchers are extremely difficult to use in that type of market. Consequently, Schock officials admitted that they tried to steer people into public housing units rather than utilize the Section 8 program. These severe market conditions did not exist when SORC managed the relocation of families from Sumner Field and Olson in 1995 and 1996. Instead, the agency made a strong effort to achieve deconcentration by using the Section 8 program whenever possible. In any case, the data show the extent to which people's mobility preferences were highly constrained by market conditions, program characteristics, and even the assistance they received in making their choices.

Outcomes

Program Outcomes

Table 8 shows that overall, 16% of the relocated families opted for homeownership, 41.3% chose different public housing (mostly scattered-site housing), and 35.8% used the Section 8 program. Seven percent of relocated families moved without housing assistance and did not choose any of the above. Program outcomes were strongly related to demographic differences. Southeast Asian families were most likely to purchase a home (25%, compared to 4% of Black relocatees and 6% of White families), while African Americans were more likely to use the Section 8 program (43.4%, compared to 30.5% of Southeast Asian respondents and 35.3% of White respondents).

Single parents were significantly less likely than non-single parents to become homeowners (10.1% to 22.3%), as were senior (aged 55 and older) households compared to younger families (8.8% to 17.9%). Larger families, on the other hand, were three times more likely to select homeownership than mid-sized households, and almost five times more likely to do so than smaller households. Larger families were also significantly less likely to participate in the Section 8 program (only 18%, compared to more than 50% of smaller households)—a reflection of the difficulty in finding large apartments in a very tight housing market.

Table 8. Selected Program by Selected Household Characteristics

Selected program	Total	White	Black	SE Asian	Non-single parent	Single parent	Under age 55	Age 55 or older	Small household (1-2)	Medium household (3-4)	Large household (5 or more)
Homeownership	66 (15.9)	1 (5.9)	6 (3.8)	59 (25.0)	45 (22.3)	21 (10.1)	58 (17.9)	7 (8.8)	9 (6.6)	14 (10.1)	43 (30.7)
Public housing	172 (41.3)	9 (52.9)	74 (46.5)	88 (37.3)	81 (40.1)	88 (42.5)	135 (41.7)	30 (37.5)	42 (30.9)	60 (43.5)	70 (50.0)
Section 8	149 (35.8)	6 (35.3)	69 (43.4)	72 (30.5)	66 (32.7)	81 (39.1)	113 (34.9)	33 (41.3)	72 (52.9)	52 (37.7)	25 (17.9)
None	29 (7.0)	1 (5.9)	10 (6.3)	17 (7.2)	10 (5.0)	17 (8.2)	18 (5.6)	10 (12.5)	13 (9.6)	12 (8.7)	2 (1.4)
TOTAL	416	17	159	236	202	207	324	80	136	138	140

Note: Figures in parentheses are column percentages.

Table 9. Selected Program by Selected Resource Characteristics

Selected program	Monthly income			Employment status		Long-term public housing resident		Relocation agency	
	< \$600	\$600 to \$1,200	> \$1,200	Not employed	Employed	< 10 years	> 10 years	SORC	Schock
Homeownership	4 (3.3)	22 (12.5)	38 (40.0)	31 (10.2)	33 (39.3)	53 (16.3)	9 (14.3)	34 (14.7)	32 (17.4)
Public housing	38 (31.4)	84 (47.7)	38 (40.0)	120 (39.6)	33 (39.3)	126 (38.8)	39 (61.9)	50 (21.6)	122 (66.3)
Section 8	65 (53.7)	60 (34.1)	16 (16.8)	131 (43.2)	13 (15.5)	125 (38.5)	12 (19.0)	126 (54.3)	23 (12.5)
None	14 (11.6)	10 (5.7)	3 (3.2)	21 (6.6)	5 (6.0)	21 (6.5)	3 (4.8)	22 (9.5)	7 (3.8)
TOTAL	121	176	95	303	84	325	63	232	184

Note: Figures in parentheses are column percentages.

Income and employment were also highly correlated with program outcomes (see Table 9). For instance, 39% of employed families became homeowners, compared to only 10% of unemployed families. Unemployed families were almost three times as likely, however, to use the Section 8 program as employed households (43.2% to 15.5%). This same pattern emerges across income categories as well. Relocates with the highest incomes moved to homeownership at a rate of 40%, compared to only 3% of the lowest income families and 12.5% of the households with monthly incomes in the middle category (\$600 to \$1,200). The lowest income families were most likely to end up with Section 8 housing (53.7%, compared to 34.1% of the middle-income families and 16.8% of the families in the highest income category). What is most surprising, perhaps, is that the lowest income families were twice as likely to end up with no housing assistance as were the middle-income families, and four times more likely to do so than the highest income group (11.6%, 5.7%, and 3.2% respectively).

Long-term public housing residents overwhelmingly preferred to remain in public housing compared to other choices (62% remained in public housing, 19% moved to Section 8 units, and 14% purchased a home). There was also a significant difference in the program outcomes for those relocated by SORC and those relocated by W. D. Schock. Two-thirds of the families relocated by Schock went to other public housing, compared to only 21.6% of those relocated by SORC. SORC relocates were most likely to go to Section 8 housing (54.3%, compared to only 12.5% for Schock relocates).

Multivariate Analysis By combining all of the factors analyzed above into a single multivariate model, it is possible to assess which individual characteristics of relocates are most significantly associated with a particular programmatic choice while simultaneously controlling for all factors. A logistic regression analysis shows that households with higher incomes were more likely to state a preference for homeownership, as were employed households. Unemployed households were significantly more likely to prefer public housing or Section 8. Long-term public housing residents were also more likely to express a preference for public housing over the other two options. Finally, families that were relocated by SORC tended to express a greater preference for Section 8, and were significantly less likely to prefer public housing than Schock relocates. The effect of the relocation agencies was limited to the steering of people into either Section 8 or public housing. The relocation agency did not seem to matter in households that expressed preference for homeownership.

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When taking into account program preferences and the actual housing type accessed by families, other patterns emerge. Net of all other factors, Southeast Asian families were more likely to purchase homes compared to African American relocatees. Employed households were also more likely to purchase homes than other relocatees. In addition, those who expressed a preference for ownership were more likely than others to end up purchasing homes. Among those who ended up in public housing, White families were slightly more likely than African American families to choose this option, while Southeast Asian families were significantly less likely to do so. The larger the household size, the greater the odds that a family ended up in public housing. In addition, SORC relocatees were significantly less likely than Schock relocatees to go to other public housing. Finally, predictably enough, those expressing a preference for public housing were more likely than others to get into public housing. Families that ended up in Section 8 housing typically were smaller households, Schock relocatees, and those that expressed a preference for Section 8. White families were slightly less likely than African American families to become Section 8 participants.

Location Outcome

Fifty-four percent of the public housing families relocated from the north side projects moved to other housing on the north side. Another 27% relocated to south side Minneapolis neighborhoods. Combining the number of families that relocated to northeast Minneapolis and to the city of St. Paul shows that seven out of every eight displaced families found a new home in the central cities. Another 10% relocated to inner-ring suburbs to the north and west of Minneapolis. Thus, only 3% of the families relocated to communities beyond the central city and the immediate northern and western inner-ring suburbs.

There were slight differences in location outcomes by ethnicity (see Tables 10 and 11). Southeast Asian families were more likely to stay in north Minneapolis compared to Black and White families (62%, 45%, and 50% respectively), but less likely to go to south Minneapolis (22%, 34%, and 33% respectively). African Americans were most likely of all three ethnic groups to leave both the central city and inner-ring suburbs (7%, compared to 1% of Southeast Asian families and none of the White relocatees).

Other demographic variables were related to location outcomes. Single-parent families were more likely to locate outside the central city than other families (18% to 9%). Families with older heads of household were somewhat more likely than younger families to stay on the north side (63% to 52%) and in the central cities (92% to 85%). Finally, larger families were more likely to remain on the north side and in the central cities than smaller families.

Few relationships seem to exist between the resource variables and the actual locational outcomes of relocatees (see Tables 12 and 13). There was a tendency for the highest income relocatees to resettle on the north side (63.5%, compared to only 45.4% of the lowest income families—Table 12). On the other hand, the lowest income relocatees were more likely to resettle on the city's south side (33.8%, compared to just 22.9% of the highest income families). Aggregating locational categories in Table 13 masks the differences between the income categories. There were essentially no differences between the income categories with respect to whether households relocated in or out of the central cities.

Unemployed households were more likely to resettle in south Minneapolis than were employed families, but there was little difference between these two groups in their tendency to move out of the central city. There were no differences between long-term public housing residents and shorter term residents in the actual resettlement location.

Given the previous findings on the differences in program preference between families relocated by SORC and W. D. Schock, differences in locational outcomes were examined across these two groups of families. Families relocated by Schock were less likely to resettle on the north side of Minneapolis and more likely to go to the south side. Overall, however, there were no differences between the groups in the degree to which they left the central cities.

Table 10. Location Outcome by Selected Household Characteristics

Location outcome	Total	White	Black	SE Asian	Non-single parent	Single parent	Under age 55	Age 55 or older	Small household (1-2)	Medium household (3-4)	Large household (5 or more)
N. Minneapolis	235 (54.4)	9 (50.0)	74 (44.8)	152 (62.0)	121 (57.3)	112 (52.3)	174 (52.3)	54 (62.8)	80 (54.8)	69 (47.9)	86 (61.0)
NE Minneapolis	11 (2.5)	1 (5.6)	5 (3.0)	3 (1.2)	3 (1.4)	6 (2.8)	8 (2.4)	3 (3.5)	4 (2.7)	4 (2.8)	2 (1.4)
S. Minneapolis	118 (27.3)	6 (33.3)	56 (33.9)	54 (22.0)	64 (30.3)	53 (24.8)	97 (29.1)	17 (19.8)	33 (22.6)	45 (31.3)	40 (28.4)
St. Paul	10 (2.3)	1 (5.6)	2 (1.2)	7 (2.9)	4 (1.9)	5 (2.3)	5 (1.5)	5 (5.8)	6 (4.1)	3 (2.1)	1 (0.7)
N. inner ring	33 (7.6)	1 (5.6)	11 (6.7)	21 (8.6)	12 (5.7)	21 (9.8)	28 (8.4)	4 (4.7)	13 (8.9)	11 (7.6)	9 (6.4)
W. inner ring	10 (2.3)	—	5 (3.0)	5 (2.0)	3 (1.4)	7 (3.3)	9 (2.7)	—	2 (1.4)	6 (4.2)	2 (1.4)
SW suburbs	6 (1.4)	—	6 (3.6)	—	2 (0.9)	4 (1.9)	5 (1.5)	1 (1.2)	3 (2.1)	3 (2.1)	—
NW suburbs	3 (0.7)	—	2 (1.2)	1 (0.4)	1 (0.5)	2 (0.9)	3 (0.9)	—	1 (0.7)	1 (0.7)	1 (0.7)
Suburbs	1 (0.2)	—	—	1 (0.4)	—	1 (0.5)	1 (0.3)	—	—	1 (0.7)	—
Out of metro area	5 (1.2)	—	4 (2.4)	1 (0.4)	1 (0.5)	3 (1.4)	3 (0.9)	2 (2.3)	4 (2.7)	1 (0.7)	—
TOTAL	432	18	165	245	211	214	333	86	146	144	141

Note: Figures in parentheses are column percentages.

Table 11. Location Outcome (by Ring) by Selected Household Characteristics

Location outcome	Total	White	Black	SE Asian	Non-single parent	Single parent	Under age 55	Age 55 or older	Small household (1-2)	Medium household (3-4)	Large household (5 or more)
Central city	374 (86.6)	17 (94.4)	136 (82.9)	216 (88.2)	191 (91.0)	176 (82.2)	283 (85.2)	79 (91.9)	123 (84.2)	120 (83.9)	129 (91.5)
Inner-ring suburbs	44 (10.2)	1 (5.6)	17 (10.4)	26 (10.6)	15 (7.1)	29 (13.6)	38 (11.4)	4 (4.7)	16 (11.0)	17 (11.9)	11 (7.8)
Outside the inner ring	14 (3.2)	—	11 (6.7)	3 (1.2)	4 (1.9)	9 (4.2)	11 (3.3)	3 (3.5)	7 (4.8)	6 (4.2)	1 (0.7)
TOTAL	432	18	164	245	210	219	332	86	146	143	141

Note: Figures in parentheses are column percentages.

Multivariate Analysis For the purposes of a logistic regression analysis, location was aggregated into central city versus all other locations. The data indicate that holding all the variables constant, having a head of household over the age of 55 significantly increased the odds of a family ending up in the central city. In addition, families that became homeowners were less likely to end up in the central city compared to all other families, and households that moved to public

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Table 12. Location Outcome by Selected Resource Characteristics

Location outcome	Monthly income			Employment status		Long-term public housing resident		Relocation agency	
	< \$600	\$600 to \$1,200	> \$1,200	Not employed	Employed	< 10 years	> 10 years	SORC	Schock
N. Minneapolis	59 (45.4)	105 (57.7)	61 (63.5)	175 (55.6)	49 (55.7)	180 (53.7)	38 (55.9)	146 (60.6)	89 (46.6)
NE Minneapolis	3 (2.3)	6 (3.3)	1 (1.0)	4 (1.3)	4 (4.5)	7 (2.1)	2 (2.9)	—	11 (5.8)
S. Minneapolis	44 (33.8)	43 (23.6)	22 (22.9)	90 (28.6)	18 (20.5)	95 (28.4)	18 (26.5)	56 (23.2)	62 (32.5)
St. Paul	4 (3.1)	3 (1.6)	1 (1.0)	6 (1.9)	6 (2.3)	7 (2.1)	1 (1.5)	5 (2.1)	5 (2.6)
N. inner ring	12 (9.2)	11 (6.0)	9 (9.4)	21 (6.7)	10 (11.4)	24 (7.2)	8 (11.8)	16 (6.6)	17 (18.9)
W. inner ring	2 (1.5)	8 (4.4)	—	9 (2.9)	1 (1.1)	10 (3.0)	—	7 (2.9)	3 (1.6)
SW suburbs	1 (0.8)	3 (1.6)	1 (1.0)	2 (0.6)	3 (3.4)	4 (1.2)	1 (2.5)	3 (1.2)	3 (1.6)
NW suburbs	1 (0.8)	1 (0.5)	1 (1.0)	2 (0.6)	1 (1.1)	3 (0.9)	—	2 (0.8)	1 (0.5)
Suburbs	1 (0.8)	—	—	1 (0.3)	—	1 (0.3)	—	1 (0.4)	—
Out of metro area	3 (2.3)	2 (1.1)	—	5 (1.6)	—	4 (1.2)	—	5 (2.1)	—
TOTAL	130	182	96	315	88	335	68	241	191

Note: Figures in parentheses are column percentages.

Table 13. Location Outcome (by Ring) by Selected Resource Characteristics

Location outcome	Monthly income			Employment status		Long-term public housing resident		Relocation agency	
	< \$600	\$600 to \$1,200	> \$1,200	Not employed	Employed	< 10 years	> 10 years	SORC	Schock
Central city	110 (84.6)	156 (86.2)	85 (88.5)	275 (87.3)	72 (82.8)	288 (86.2)	59 (86.8)	207 (85.9)	166 (87.4)
Inner-ring suburbs	15 (11.5)	19 (10.5)	9 (9.4)	31 (9.8)	11 (12.6)	35 (10.5)	8 (11.8)	23 (9.5)	21 (11.1)
Outside the inner ring	5 (3.8)	6 (3.3)	2 (2.1)	9 (2.9)	4 (4.6)	11 (3.3)	1 (1.5)	11 (4.6)	3 (1.6)
TOTAL	130	181	96	315	87	334	68	241	190

Note: Figures in parentheses are column percentages.

housing were more likely to end up in the central city compared to all other households. All other demographic and income characteristics of households were not significantly related to the odds of locating in the central city when all factors were controlled.

Spatial Distribution of Relocatees Figure 1 indicates the relocation of families throughout the metropolitan region (not shown, of course, are the five families that relocated to other regions or states). In this figure, locational outcomes are indicated by census tract, with larger dots indicating a greater number of relocatees within the tract. The most obvious pattern is the high concentration of relocatees within the city of Minneapolis, and very little scattering of families into other communities in the region. In fact, spatial analysis shows that 20% relocated to an address within a one-mile radius of the center of the north side public housing site, 39% relocated within a two-mile radius, and 58% relocated within three miles. Figure 2 shows the location of relocatees within a three-mile radius of the center of the north side project. Most families moved to other areas of the north side and the near south side of Minneapolis—in other words, to other inner-city neighborhoods. The socio-economic characteristics of these neighborhoods are examined in one of the sections below.

Preference Matching

Up to now, this report has examined the preferences and outcomes for families relocated from the north side public housing projects. This section focuses on the degree to which families were able to obtain their locational and programmatic preferences. Did families relocate to the places they chose? Did they move into the type of housing they preferred? Tables 14 and 15 present data on the ability of relocated families to match their preferences in both housing program and location. Families that matched their preference for housing program ended up in the type of housing they chose—either homeownership, public housing, or Section 8. Location matching was analyzed for both the initial relocation move and, because several families had subsequently moved at the time of data collection, the “current” location of their house or apartment (according to the most up-to-date data available).

The locational categories in Table 15 were used to determine if a locational match occurred; that is, if a family indicated that it wanted to relocate to the north side of Minneapolis, and it did so, then a locational match occurred. Table 15 also includes grouped categories such as northern inner-ring suburb. Thus, if a family indicated a desire to relocate to Brooklyn Park and ended up in Brooklyn Center, Robbinsdale, or New Hope, this too was coded as a locational match because the family had voiced a preference for a northern inner-ring suburb and had indeed located to such a suburb (although not necessarily the same one). This is clearly a generous definition of “locational match,” and should lead to a high rate of matching among relocatees. Another factor that should increase the rate of locational matching as measured here is the fact that relocatees had the opportunity to identify more than one locational preference. If their actual outcome matched any of the preferences they stated, then a locational match is said to have occurred. On the whole, then, a high rate of locational matching is anticipated to have occurred among relocatees.

Program Matching

Table 14 indicates that 71.2% of the participants ended up in the type of housing they preferred. Program matching was slightly greater among Southeast Asian families than among White families (72.7% to 64.3%). Similarly, non-single parents matched their program preferences in three of four cases, compared to single parents who matched their preferences in only two of three cases. There was very little difference between senior and non-senior households in their abilities to obtain the type of housing they wanted (68% to 71%). There was also little difference across household sizes (71% of the largest families and 69% of the smallest matched their program preferences).

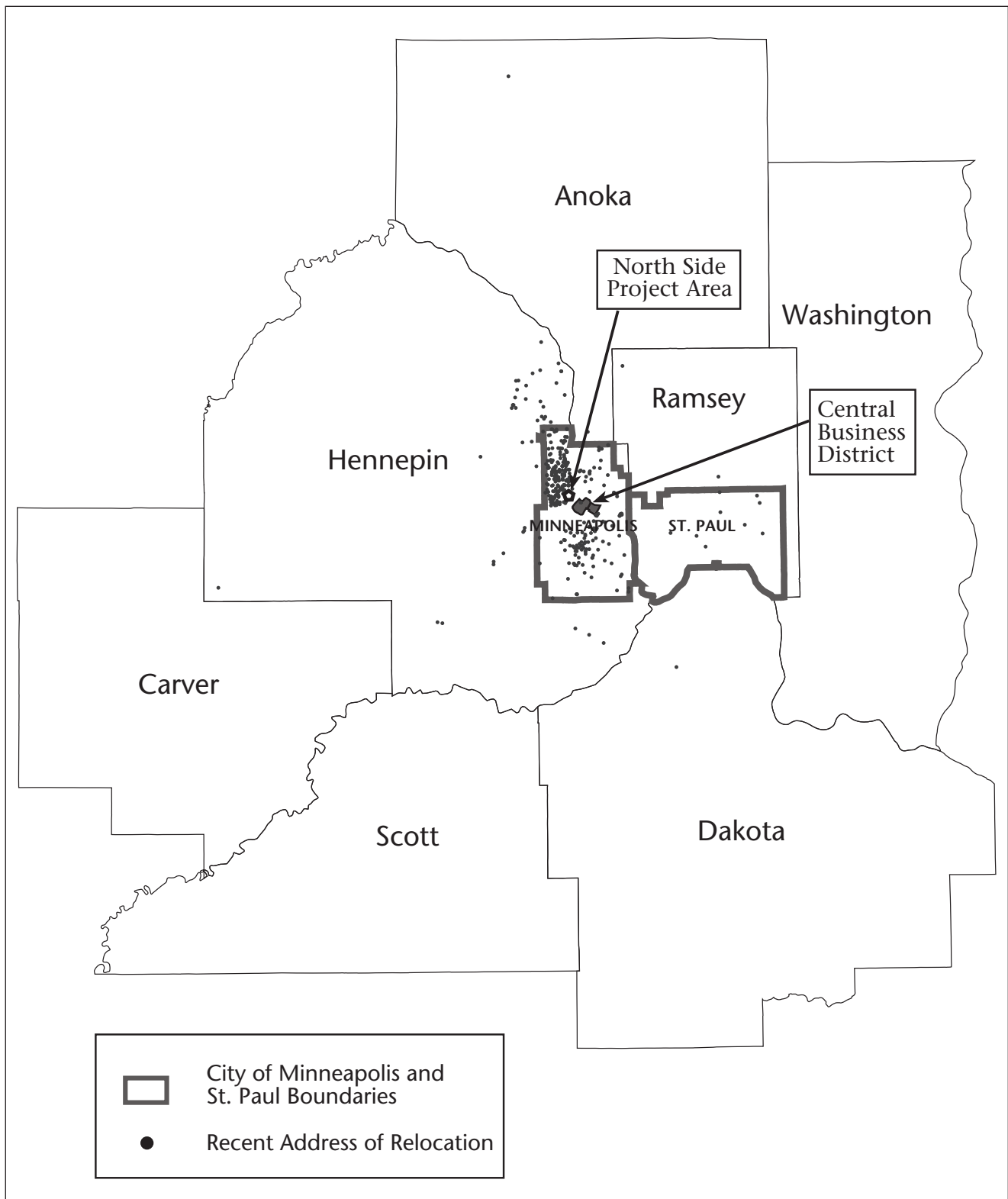


Figure 1. Recent Address of Relocation within the Twin Cities Metropolitan Region of Families Affected by the *Hollman* Consent Decree

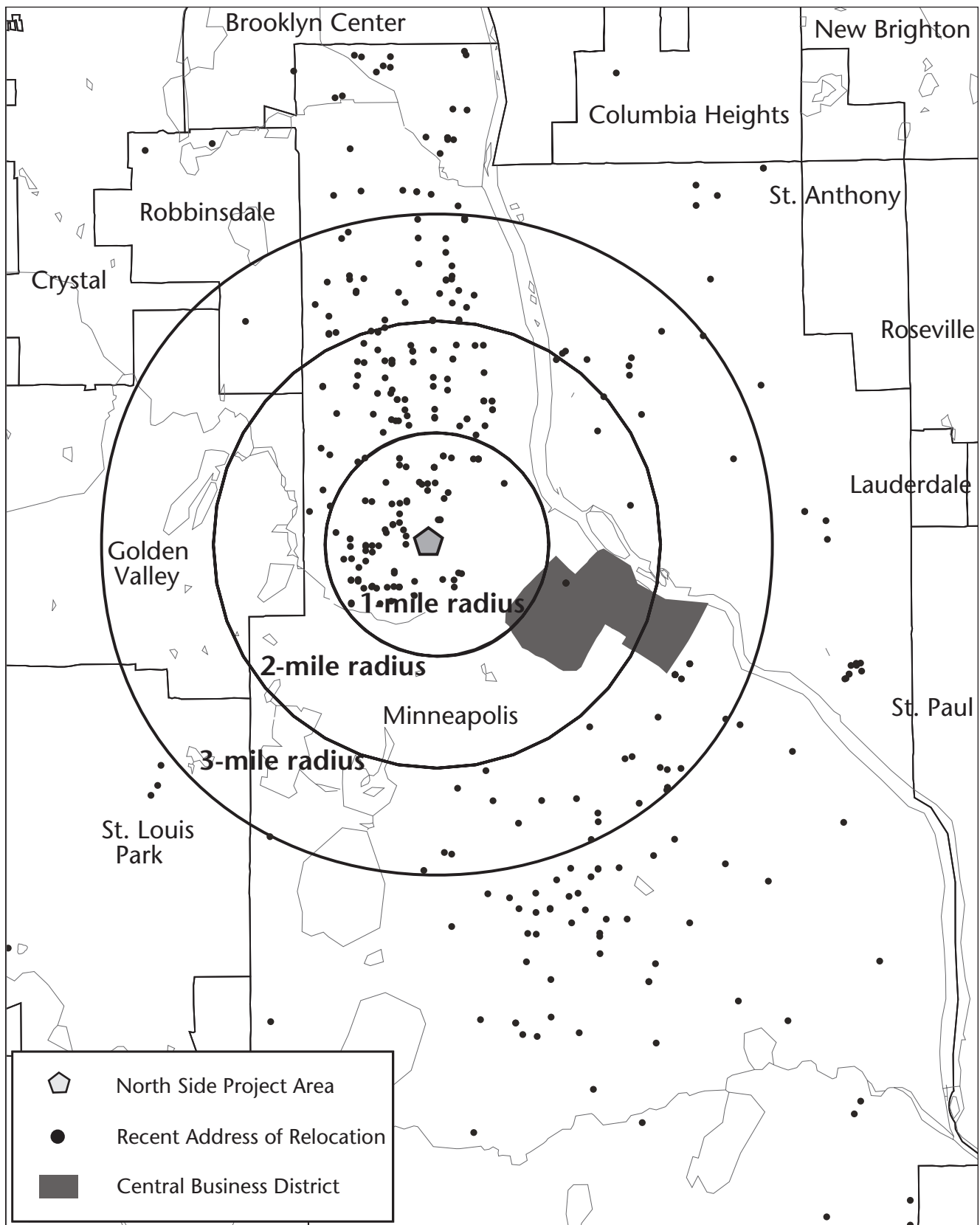


Figure 2. Recent Address of Relocation within a Three-Mile Radius of the North Side Site of Families Affected by the *Hollman* Consent Decree

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Table 15 breaks down preference matching by income, employment, long-term residency, and relocation agency. Surprisingly, the lowest income relocatees were most likely to match their preferences for housing type (78.2%, compared to 70.5% of the highest income group and 67% of the middle-income group). Similarly, longer term residents of public housing matched their housing preference 75% of the time, while 69.7% of other relocatees matched their program preferences. Families relocated by the W. D. Schock agency matched their program preferences 75.4% of the time, compared to 66.7% for the SORC relocatees.

It is possible that some programs were easier to obtain, and therefore those who stated a preference for that program were more likely to match their preference. This is, in fact, the case as 88% of the households that stated a preference for public housing were able to match that preference, compared to only 70% of those that preferred Section 8 and only 55% of those that preferred homeownership.

Location Matching

The data in Tables 14 and 15 also break down both the initial relocation match and the current location match for the usual categories of households. The data show that two-thirds of the families were able to relocate to a community of their choice and, despite a fair amount of mobility after the original resettlement, two-thirds of the families for whom there was current (at the time of data collection) location data resided in a community of their choice. Whether this is a high or a low number depends upon one's perspective. As explained above, the manner in which the location match variables were coded constitutes a generous measurement of the concept. Families were said to have made a match if they relocated to the same category of community as listed in Table 1. Furthermore, families stated multiple locational preferences, and they were said to have matched their locational preferences if they moved to any of the community types they had listed. Given this definition of locational matching, it is not unreasonable to expect a higher number of families to have matched their preferences. On the other hand, for most of the relocation period, the Twin Cities housing market was extremely tight, with rental vacancy rates near or below 2%. This would have made the relocation process much more difficult and reduced the likelihood of families finding a house or apartment in exactly the type of community they had preferred.

The data show that as with program preferences, the Southeast Asian relocatees were more likely to match their locational preferences than were White or Black relocatees. This tendency was even more pronounced when current location was analyzed. Non-single parents were also more likely to match their locational preferences than were single parents. There was no difference between senior and non-senior location matching for the initial relocation, but families with heads of household aged 55 and older tended to match their locational preference more often than those with heads of household under age 55 when current location was examined. Household size was also related to location matching. Surprisingly, however, the larger the household the more likely the family was to have

Table 14. Preference Matching by Selected Household Characteristics

Preference matching	Total	White	Black	SE Asian	Non-single parent	Single parent	Under age 55	Age 55 or older	Small household (1-2)	Medium household (3-4)	Large household (5 or more)
Program match	272 (71.2)	9 (64.3)	101 (69.7)	160 (72.7)	143 (75.7)	125 (66.5)	210 (70.7)	51 (68.0)	84 (68.9)	95 (73.1)	92 (70.8)
Initial location match	284 (67.6)	12 (66.7)	98 (62.0)	171 (71.0)	148 (72.5)	131 (62.4)	218 (66.9)	55 (67.9)	85 (60.3)	94 (67.1)	105 (75.5)
Central location match	276 (66.3)	10 (55.6)	91 (58.3)	172 (72.0)	149 (73.8)	122 (58.7)	208 (64.4)	57 (71.3)	80 (57.6)	90 (65.2)	106 (76.3)

Note: Figures in parentheses are column percentages.

Table 15. Preference Matching by Selected Resource Characteristics

Preference matching	Monthly income			Employment status		Long-term public housing resident		Relocation agency	
	< \$600	\$600 to \$1,200	> \$1,200	Not employed	Employed	< 10 years	> 10 years	SORC	Schock
Program match	86 (78.2)	108 (66.7)	62 (70.5)	196 (71.3)	54 (67.5)	209 (69.7)	45 (75.0)	134 (66.7)	138 (75.4)
Initial location match	83 (65.9)	114 (64.0)	73 (77.7)	212 (69.1)	54 (62.8)	215 (65.7)	51 (77.3)	150 (64.4)	134 (71.7)
Current location match	80 (64.5)	110 (62.5)	72 (76.6)	204 (67.3)	54 (62.8)	207 (64.1)	51 (77.3)	143 (62.4)	133 (71.1)

Note: Figures in parentheses are column percentages.

matched their locational preferences. The opposite outcome would have been expected—that the scarcity of larger units in the market would have made it more difficult for larger families to move where they wanted to. On the other hand, this finding may reflect the fact that most larger families expressed a preference for public housing and a central-city location, both of which were relatively easy to achieve.

Income was related to location matching in the direction expected: the highest income group matched their location preferences at a higher rate than did the other two income groups. There were smaller differences between employed and unemployed households, and these were in an unexpected direction. Unemployed households matched their locational preferences 69% of the time in the initial relocation, compared to only 62.8% of the employed families. Long-term residents and Schock relocatees also matched their locational preferences more often than their comparison groups. Some of these patterns reinforce the notion that, as with program preferences, the degree to which families matched their locational preferences depended upon what those preferences were.

Of those who identified north Minneapolis as a preferred location, 84% matched their preference. For south Minneapolis, the figure was 80%. But for those who preferred the northern inner-ring suburbs, only 59% matched their preference in the initial relocation, only 41% matched their preference for western inner-ring suburbs, and one-third or fewer matched their preferences for the various categories of developing suburbs. A strong pattern develops when household preferences are categorized into central city, inner-ring suburbs, or non-inner-ring locations. Of those who identified the central city as a preferred location, 80% were able to match that preference. For households that identified the inner-ring suburbs, only 56% actually ended up there upon being relocated. For families that identified a location outside the central city and the inner-ring suburbs, only 32% matched that preference. The pattern is even more extreme when subsequent moves are taken into account. Using the current (at the time of data collection) location of households as the reference, 80% of those that preferred the central city matched that preference, only 50% of those that preferred the inner-ring suburbs matched their preference, and just 30% of those that preferred a location other than the central cities or inner-ring suburbs satisfied that preference. These data indicate that the relocation process did not serve as well those families who desired a move out of the central cities.

Multivariate Analysis The task here was to determine which of the various demographic and resource variables were most important in analyzing whether a family was able to match its program and locational preferences in the relocation process. Table 16 shows the results of three logistic regression models. The dependent variables in the models were, respectively, whether or not families matched their program preferences, matched their location preferences with the initial move, and matched their location preferences in their current locations. The explanatory variables included

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the standard demographic and resource variables utilized throughout this analysis of the relocation process. The actual preferences for program and location were also included in the models as explanatory variables.

The data in Table 16 confirm that it was the preferences voiced by households, rather than any particular characteristic of the household, that most determined whether preferences were matched in the relocation process. In the model for program matching, a family's preference for public housing or homeownership dominated. Those that preferred public housing were significantly more likely to match that preference than were families preferring Section 8, and households preferring homeownership were significantly less likely than other families to match their program preferences. None of the other variables, except for *single parent*, approaches statistical significance. The model as a whole correctly predicts 72.4% of the cases. The second model, predicting locational match based on the initial resettlement location, was also dominated by the preferences of individuals. Those who preferred the inner ring or beyond the inner ring were much less likely than those who preferred the central city (the reference category in the model) to have achieved their preferences. Income was also associated with location matching, as were employment status (unemployed more likely to match preferences) and relocation agency (SORC relocatees less likely). Finally, in the model predicting location match based on relocatees' current location, the two choice variables were strongly predictive. In addition, the model indicates that relocatees who had been longer term residents of public housing were also marginally more able to match their locational preferences (coefficient significant at .099).

Table 16. Logistic Regression Models for Program and Locational Matching

	Program initial match		Location match		Current location match	
	β	Sig.	β	Sig.	β	Sig.
Constant	-.83		5.10		5.38	
Afr-Am	.47		-1.06		-.29	
SE Asian	.44		-.89		.11	
SingleP	-.57	*	-.14		-.20	
Age	-.01		.01		.02	
HHSIZE	-.06		.07		.06	
Income	.00		.00	**	.00	
Employed	.23		-.79	*	-.25	
PHDate [†]	.00		.00		-.00	*
SORC	-.31		-.52	*	-.48	
PrefPH [‡]	.62	***				
PrefHO [§]	-.76	**				
PrefIR [#]			-.82	**	-1.08	**
PrefNIR ^{††}			-2.94	***	-2.93	***
Adj. R ²	.10		.17		.21	
Pct. Correct	72.4		74.9		74.9	
<i>n</i>	315		336		331	

Note: Figures in parentheses are column percentages.

* $p < .10$ ** $p < .05$ *** $p < .01$

[†]Long-term public housing

[‡]Preferred public housing

[§]Preferred homeownership

[#]Preferred inner-ring suburb

^{††}Preferred non-inner-ring suburb

NEIGHBORHOOD ANALYSIS

The basis of the *Hollman* lawsuit was the contention that neighborhood environment is critical in determining quality of life, and that the practices of HUD and MPHA had confined public housing residents to neighborhoods with the greatest number of problems and the fewest social, political, and economic resources. Thus, an analysis of the neighborhood characteristics of relocation neighborhoods is an important part of any assessment of the housing outcomes of relocatees. The four public housing projects from which these residents were displaced were located within two census tracts on the north side of Minneapolis. These housing projects constituted the majority of the housing stock in both of the tracts, although one included a mixture of nonpublic housing. This section examines a range of neighborhood characteristics of the north side site and compares these to the characteristics of the neighborhoods to which the public housing families were relocated. This was accomplished by calculating several socioeconomic neighborhood characteristics of the “average” relocatee family. In addition, the study determined whether the new homes occupied by relocatees were located in race- or poverty-concentrated neighborhoods. The *Hollman* consent decree was designed to facilitate the deconcentration of public housing residents, but displaced families were allowed to relocate to any neighborhood they wanted, provided that comparable housing could be found. Thus, the study examined the extent to which displaced families were able to relocate out of race- or poverty-concentrated areas. For the purposes of the consent decree, and therefore this analysis, *race concentration* is defined as a census tract with more than 28.7% Black residents, and *poverty concentration* is defined as a tract with (for Minneapolis) more than 33.5% of residents below the poverty level (31.7% or more for census tracts in St. Paul, and 12.2% or more for suburban areas of the region).

Neighborhood Characteristics

Average Neighborhood Conditions

Consistent and significant differences were found between the social, economic, and demographic characteristics of the north side neighborhood and the neighborhoods to which families relocated (see Table 17). The average neighborhoods to which the families moved (what is called the relocation neighborhoods) had significantly fewer African American and Asian residents compared to the north side site. The percentage of Black residents fell by half, and the Asian population in relocation neighborhoods was, on average, one-eighth that of the north side site. The fourth column indicates that these differences are statistically significant. The remaining columns allow a comparison of the relocation neighborhood with the overall figures for the city of Minneapolis, Hennepin County, and the entire seven-county region. Thus, even though the minority populations of the relocation neighborhoods were significantly smaller than the north side census tracts in which the public housing was located, they were still greater than the citywide, countywide, and regional figures.

In the north side neighborhood from which families were relocated, 75% of the households had incomes of less than \$15,000 in 1990, compared to one-third (33.2%) of residents in the average relocation neighborhood. The percentage figure for the relocation neighborhoods exceeded the citywide figure of 29.6% by 3.6 percentage points. The median income of the average relocation neighborhood was just more than three times that of the north side neighborhoods (\$23,863 to \$7,810). The average median income was very close to the median for the city, but well below that of the county and the region.

Residents of the average relocation neighborhood were much more likely to have an income than were residents of the north side site (75.2% to 40.9%). Although 60.5% of the north side residents received public assistance, only 17.1% of the residents of the average relocation neighborhood did so. The 17.1% figure for relocation neighborhoods was almost twice the citywide figure and about three times the figures for the county and region. The degree of poverty in the average relocation neighborhood was significantly lower than in the north side sites. The average relocatee came from a

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Table 17. Neighborhood Characteristics of North Side Public Housing Site Compared to Relocation Neighborhood (N = 426)

	(a) Northside	(b) Relocation neighborhood	Sig. (a-b)	City of Minneapolis	County	Region
Pct. White	5.8	64.5	***	78.4	89.3	92.1
Pct. Black	45.6	23.2	***	13.0	5.8	3.6
Pct. Asian	47.2	6.4	***	4.3	2.9	2.6
Pct. college graduates	5.3	25.3	***	30.3	31.6	27.1
Pct. very low income [†]	75.1	33.2	***	29.6	18.1	16.6
Median household income	\$7,810	\$23,863	***	\$25,324	\$35,659	\$36,565
Pct. with income	40.9	75.2	***	79.2	84.2	85.5
Pct. receiving public assistance	60.5	17.1	***	10.5	6.1	5.5
Pct. children in poverty	79.7	35.3	***	30.6	13.5	11.2
Pct. population in poverty	72.8	25.1	***	18.5	9.2	8.1
Pct. households with female head	29.1	13.7	***	26.3	16.3	14.4
Pct. labor force employed	34.7	69.3	***	69.1	73.6	74.3
Pct. homeowners	3.8	51.0	***	49.7	63.4	68.7
Pct. housing units built before 1939	14.1	46.4	***	53.2	24.0	20.5
Pct. housing units with 3+ bedrooms	14.5	40.4	***	35.1	48.8	54.0
Pct. low-rent units [‡]	79.9	19.3	***	20.4	13.6	13.8
Pct. low-value homes [§]	100	73.3	***	63.6	35.9	39.0
Median value of housing units	\$49,326	\$63,852	***	\$71,500	\$89,700	\$87,400

*** p < .01

[†]Income less than \$15,000

[‡]Rents below \$300

[§]Values below \$75,000

neighborhood with 79.7% of the children and 72.8% of the entire population below the poverty level, and moved into a neighborhood in which 35.3% of the children and 25.1% of the entire population was in poverty. The relocation neighborhoods, nevertheless, had poverty rates twice those of the city, county, and the region as a whole. The average relocation neighborhood also had fewer female-headed households and a greater percentage of the labor force employed than did the north side site. As with all of the other indicators, rates of female-headed households and unemployment were still higher than those of the city and the rest of the region.

The housing stock of the average relocation neighborhood also differed significantly from that in the north side site. More than half (51%) of the housing stock was owner-occupied in the average relocation neighborhood, compared to only 4% in the north side sites. Interestingly, the average relocation neighborhood had a higher homeownership rate than did the city as a whole, although not by much. The average relocation neighborhood also had a larger percentage of older structures (46% built prior to 1939) compared to the public housing site (14.5%). The housing stock in the relocation neighborhoods had more large units, significantly fewer units that rented for less than \$300 month, and fewer ownership units valued at less than \$75,000 than did the north side site.

The following analysis examines whether any household-level characteristics were associated with moving to “better” neighborhoods based on the neighborhood characteristics listed in Table 18. For example, did Southeast Asian residents, or non-single parents, or long-term public housing residents

relocate to neighborhoods with higher median incomes than other groups? The data in Table 18 show a range of differences across the demographic dimensions. Southeast Asian relocatees, for example, moved to neighborhoods with a higher average percentage of female-headed households, a lower percentage of employed persons, a higher percentage of homeowners, but also a higher percentage of lower valued homes than did African American relocatees. There were no differences between these two groups on the average income or racial profile of the neighborhoods to which they relocated.

Single parents moved to neighborhoods that had, on average, a lower minority population and higher income than did non-single parents. The housing stock in the average neighborhood to which single parents relocated was also more highly valued (with fewer low-rent units) than the neighborhoods to which non-single parents relocated. Senior relocatees tended to relocate to neighborhoods with higher average distress indicators, such as the percentage of very low income persons, persons in poverty, unemployed persons, and low-rent units. The median household income in the average neighborhood to which seniors relocated was almost \$4,000 less than that of the average relocation neighborhood of non-senior households.

The only differences that showed up by household size relate to the housing stock characteristics of relocation neighborhoods. The largest households, on average, relocated to neighborhoods with more homeowners, fewer low-rent units, but more low-value homes than did the smallest households.

Table 19 presents additional data on the average profile of relocation neighborhoods. The data show that the highest income relocatees moved to neighborhoods that had, on average, fewer very low income residents, higher median household incomes, fewer persons in poverty, higher percent-

Table 18. Relocation Neighborhood Characteristics by Relocatee Characteristics

Relocation neighborhood characteristics	Total	White	Black	SE Asian	Non-single parent	Single parent	Under age 55	Age 55 or older	Small household (1–2)	Medium household (3–4)	Large household (5 or more)
Pct. non-White	35.4	24.9	33.6	37.9	38.9	31.9 **	65.9	60.0	66.4	64.4	62.5
Pct. college graduates	25.3	28.3	28.4	22.9 ***	24.6	25.9	25.8	23.0 *	25.2	26.0	24.6
Pct. very low income	33.2	33.3	33.3	33.2	34.9	31.2 *	31.9	37.9 **	33.7	33.7	32.1
Median household income	\$23,863	\$24,100	\$23,663	\$23,916	\$22,913	\$24,888 *	\$24,658	\$20,918 **	\$23,092	\$24,105	\$24,418
Pct. with public assistance	17.1	16.1	15.7	18.2	18.8	15.3 **	16.5	19.4	16.7	17.3	17.4
Pct. in poverty	25.1	21.9	25.1	25.5	26.5	23.4	24.1	28.9 *	24.6	26.1	24.5
Pct. female-headed households	13.7	11.1	11.9	15.5 ***	14.4	13.3	13.5	15.6	13.3	13.3	15.0
Pct. employed	69.3	70.5	71.2	67.8 **	68.1	70.6 *	70.3	65.5 ***	68.8	69.5	69.6
Pct. homeowners	51.0	48.1	47.6	53.4 *	49.7	52.8	52.3	46.6	48.3	50.2	54.6 *
Pct. low-rent units	19.3	22.2	19.4	19.2	21.9	16.3 **	17.5	26.2 ***	21.4	19.2	17.3 *
Pct. low-value homes	73.3	71.5	66.5	78.1 ***	74.9	71.7	72.1	77.4	71.0	69.9	78.9 *
Median house value	\$63,852	\$66,847	\$66,708	\$61,664 *	\$61,698	\$65,958 *	\$64,514	\$62,739	\$65,637	\$63,183	\$62,830
<i>n</i>	426	18	161	244	210	211	84	330	142	143	141

Note: For race, the t-test compared the means for Black and Asian. For household size, the t-test compared the means for the largest households against those of the smallest households.

* p < .10 ** p < .05 *** p < .01

Table 19. Relocation Neighborhood Characteristics by Relocatee Characteristics

Relocation neighborhood characteristics	Monthly income			Employment status		Long-term public housing resident		Relocation agency	
	< \$600	\$600 to \$1,200	> \$1,200	Not employed	Employed	< 10 years	> 10 years	SORC	Schock
Pct. non-White	35.7	37.1	34.2	38.1	30.2 *	34.3	41.1	35.5	35.4
Pct. college graduates	26.9	24.5	24.3	24.8	25.9	25.6	24.0	23.4	27.6 ***
Pct. very low income	36.0	33.9	28.5 ***	35.2	27.6 ***	32.8	35.7	33.1	33.2
Median household income	\$21,970	\$23,654	\$26,579 ***	\$22,597	\$27,537 ***	\$24,053	\$22,464	\$23,137	\$24,761
Pct. with public assistance	17.8	18.1	15.4	18.5	14.2 **	16.8	19.3	16.9	17.4
Pct. in poverty	26.9	26.7	20.5 **	27.0	20.1 **	24.9	26.9	24.6	25.6
Pct. female-headed households	13.1	14.9	13.9	14.6	12.8	13.9	13.9	14.2	13.4
Pct. employed	68.2	68.5	71.6 *	68.2	71.9 **	69.4	68.2	68.8	69.8
Pct. homeowners	43.9	51.1	59.3 ***	47.9	59.4 ***	51.0	49.0	50.8	51.4
Pct. low-rent units	24.0	18.4	15.0 ***	20.6	15.1 *	18.4	24.6 *	19.0	19.6
Pct. low-value homes	65.2	77.7	76.6 **	74.1	72.0	72.8	73.5	78.0	67.5 ***
Median house value	\$65,019	\$63,114	\$64,289	\$62,288	\$68,417 *	\$63,481	\$64,814	\$62,767	\$65,175
<i>n</i>	127	180	96	310	88	331	68	236	191

Note: For income, the t-test compared the means for the highest and the lowest income categories.

* $p < .10$ ** $p < .05$ *** $p < .01$

ages of employed residents, more homeowners, and fewer low-rent units. These data consistently support the conclusion that the highest income relocatees moved to neighborhoods with less distress as measured by income and housing stock characteristics. The only exception to this pattern was that the highest income groups moved to neighborhoods that had on average a higher percentage of low-valued homes (76.6%) than did the lowest income relocatees (65.2%).

The pattern for income was essentially matched for employment status. Employed relocatees resettled in neighborhoods with fewer non-Whites (30.2% to 38.1%), fewer very low income residents, higher median household income, and fewer residents in poverty and on public assistance. Employed relocatees also moved to neighborhoods with more employed residents, more homeowners, fewer low-rent units, and higher median house values.

The data show virtually no differences in the profile of the average relocation neighborhood for long- and short-term public housing residents. The only statistically significant difference is that longtime public housing residents relocated to neighborhoods that had, on average, more low-rent units (24.6%) than did shorter term public housing residents (18.4%).

Although the earlier analysis showed significant differences in the relocation outcomes of SORC and Schock relocatees, the profiles of the average relocation neighborhood for these groups were virtually identical. Schock relocatees moved to neighborhoods with a higher average percentage of college graduates, and a lower average percentage of low-valued homes. Otherwise, there were no statistically significant differences between the relocation neighborhoods of families resettled by these two agencies.

Locational choice and housing program choice, however, were strongly associated with different neighborhood outcomes (see Table 20). Those relocating to the central cities inhabited neighbor-

Table 20. Relocation Neighborhood Characteristics by Relocation Community and Housing Type

Relocation neighborhood characteristics	Central cities	Inner-ring suburbs	Other	Homeownership	Public housing	Section 8
Pct. non-White	29.3 ***	9.3	5.6	75.8 **	62.6	62.1 ***
Pct. college graduates	24.1 ***	32.2	40.0	21.2 **	27.4	24.7 ***
Pct. very low income	36.0 ***	13.4	10.4	24.4 ***	35.0	34.1 **
Median household income	\$22,017 ***	\$36,158	\$41,913	\$29,200 ***	\$23,085	\$22,726 ***
Pct. with public assistance	18.8 ***	5.7	4.1	12.1 **	18.1	17.8 ***
Pct. in poverty	27.6 ***	7.7	5.4	15.9 **	26.9	26.3 **
Pct. female-headed households	14.8 ***	8.3	5.8	11.4	14.1	14.1 *
Pct. employed	67.4 ***	82.3	84.0	72.6 **	68.1	69.8
Pct. homeowners	49.7 **	61.2	64.0	68.7 ***	50.1	45.5 ***
Pct. low-rent units	21.3 ***	3.7	7.1	12.7 **	22.5	17.4 *
Pct. low-value homes	79.0 ***	38.1	20.7	75.1	73.8	71.2
Median house value	\$60,499 ***	\$83,405	\$113,200	\$64,161	\$67,095	\$60,441
<i>n</i>	373	44	9	66	172	145

Note: The t-test compared the means for central cities against those of the inner-ring suburbs, and the means for homeowner and Section 8 compared to public housing.

* $p < .10$ ** $p < .05$ *** $p < .01$

hoods that, on average, had much higher levels of distress indicators (low education, low income, low employment status, and high poverty) compared to those relocating to non-central-city areas. The average central-city relocation neighborhood was 29.3% residents of color (over the court's definition of "minority concentrated"), 36% very low income, 18.8% on public assistance, and 27.6% of residents below the poverty level. In all but one case, these numbers were more than three times the corresponding figures for the average inner-ring suburban relocation neighborhood, and more than four times greater than the average non-inner-ring, non-central-city relocation destination. The central-city relocation neighborhoods also had, on average, many more female-headed households, unemployed residents, low-rent units, and low-value homes than the relocation neighborhoods outside of the central cities. The median household income of the city relocation neighborhoods was less than two-thirds that of the average inner-ring suburban destination of relocatees, and just more than one-half that of the outlying suburban destinations (see Table 20).

Similarly, relocatees inhabited different neighborhoods based on the type of housing into which they resettled. Here, however, the differences in neighborhood profiles were not so dramatic. On average, relocatees in public housing and Section 8 relocated to neighborhoods that had higher minority populations, more very low income residents, lower median incomes, more persons on public assistance and below the poverty level, and more persons unemployed than did relocatees who opted for homeownership.

Relocation to Concentrated Neighborhoods

A second way of evaluating the neighborhoods to which north side families were relocated is to characterize the neighborhood according to the consent decree's definition of race and poverty concentration. Households displaced from the north side units could use relocation assistance to go to any neighborhood; they were not restricted to nonconcentrated areas. Tables 21 and 22 describe relocation outcomes by whether families moved to nonconcentrated neighborhoods, poverty-concentrated areas, race-concentrated areas, or both race- and poverty-concentrated neighborhoods. The data show that just under one-half of the households (49.6%) moved to nonconcentrated census

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tracts. One-third of the families (32.6%) moved to neighborhoods that were both race and poverty concentrated. In all, more than half of the families moved to neighborhoods that were concentrated in one way or another.

White relocatees were most likely to move to nonconcentrated neighborhoods, while Southeast Asian relocatees were most likely to move to neighborhoods that were both race and poverty concentrated. Single parents were more likely than non-single parents to move to nonconcentrated neighborhoods (53.6% to 45.7%). Senior households were significantly more likely to end up in poverty- and race-concentrated neighborhoods than non-senior families (44% to 30%).

Income and employment had a strong influence on the concentration status of relocatees' new neighborhoods. For example, 58% of the highest income relocatees moved to nonconcentrated neighborhoods, compared to 44% of the lowest income families. Nearly two-thirds of the employed families (63.6%) moved to nonconcentrated neighborhoods, compared to well less than half (43.9%) of the unemployed households. Long-term residents of public housing were almost twice as likely as short-term residents to relocate to race-concentrated neighborhoods (19.1% to 10.6%). There were only small differences between the families relocated by the two different agencies.

As with the other measures of location outcomes, whether or not a family moved to a concentrated neighborhood was highly correlated with whether they moved out of the central city and with what type of housing they chose. Thirty-seven percent of families that stayed within the central cities moved to neighborhoods that were both race and poverty concentrated, compared to none of those that moved out of the central cities. Fifteen percent of families that moved within the central cities moved to neighborhoods that were race concentrated, compared to none of those that moved out of the central cities. On the other hand, only 45% of relocatees who moved within the central cities relocated to a neighborhood that was not race or poverty concentrated, as opposed to 75% of those who moved to the inner ring, and 100% of those who moved beyond the inner ring.

The pattern is, again, only slightly less dramatic according to the type of housing into which the relocatees settled. For instance, 36% of those who moved into public housing and Section 8 and 42% of those who did not move into any form of assisted housing resettled into neighborhoods of both race and poverty concentration, compared to only 14% of new homeowners. More than three-quarters (76%) of the relocatees who purchased a home moved to nonconcentrated neighborhoods, compared to less than half of the families who moved to other public housing or into Section 8 apartments.

Table 21. Location Outcome (by Concentration Status) by Selected Household Characteristics

Location outcome	Total	White	Black	SE Asian	Non-single parent	Single parent	Under age 55	Age 55 or older	Small household (1-2)	Medium household (3-4)	Large household (5 or more)
Nonconcentrated	212 (49.6)	12 (66.7)	74 (46.0)	122 (50.0)	96 (45.7)	113 (53.6)	170 (51.5)	36 (42.9)	72 (50.7)	67 (46.9)	72 (51.1)
Poverty concentrated	21 (4.9)	1 (5.6)	16 (9.9)	4 (1.6)	5 (2.4)	16 (7.6)	19 (5.8)	2 (2.4)	7 (4.9)	10 (7.0)	4 (2.8)
Race concentrated	55 (12.9)	1 (5.6)	24 (14.9)	30 (12.3)	33 (15.7)	22 (10.4)	42 (12.7)	9 (10.7)	18 (12.7)	15 (10.5)	22 (15.6)
Poverty and race concentrated	139 (32.6)	4 (22.2)	47 (29.2)	88 (36.1)	76 (36.2)	60 (28.4)	99 (30.0)	37 (44.0)	45 (31.7)	51 (35.7)	43 (30.5)
TOTAL	427	18	161	244	210	211	330	84	142	143	141

Note: Figures in parentheses are column percentages.

Table 22. Location Outcome (by Concentration Status) by Selected Resource Characteristics

Location outcome	Monthly income			Employment status		Long-term public housing resident		Relocation agency	
	< \$600	\$600 to \$1,200	> \$1,200	Not employed	Employed	< 10 years	> 10 years	SORC	Schock
Nonconcentrated	56 (44.1)	86 (47.8)	56 (58.3)	136 (43.9)	56 (63.6)	171 (51.7)	28 (41.2)	115 (48.7)	97 (50.8)
Poverty concentrated	10 (7.9)	8 (4.4)	2 (2.1)	16 (5.2)	3 (3.4)	18 (5.4)	2 (2.9)	12 (5.1)	9 (4.7)
Race concentrated	15 (11.8)	23 (12.8)	15 (15.6)	46 (14.8)	7 (8.0)	35 (10.6)	13 (19.1)	36 (15.3)	19 (9.9)
Poverty and race concentrated	46 (36.2)	63 (35.0)	23 (24.0)	112 (36.1)	22 (25.0)	107 (32.3)	25 (36.8)	73 (30.9)	66 (34.6)
TOTAL	127	180	96	310	88	331	68	236	191

Note: Figures in parentheses are column percentages.

Poverty and Race Trends in Relocation Neighborhoods

The final dimension of the study was to examine the neighborhoods to which *Hollman* families were relocated—specifically, how did they change with regard to poverty and race characteristics? Between 1980 and 1990, the city of Minneapolis saw an overall increase in poverty of 5 percentage points. The increase for Hennepin County was less than 2 percentage points, and it was 1.3 percentage points for the region. The average increase in poverty for the neighborhoods to which relocatees moved was more than 7 percentage points. Relocatees moved to neighborhoods that were increasing in poverty at a rate 50% greater than the city as a whole. In fact, 29.5% of the relocatees moved to neighborhoods that experienced more than a 10 percentage point increase in the proportion of families below the poverty level during the 1980s.

The increase in minority population for the city during the 1980s was 8.3% overall. The same increase for the county was 3.7%, and for the region as a whole, 2.3 percentage points. The neighborhoods to which relocatees moved, however, experienced on the average a 12.8 percentage point increase in minority residents during the same time period. As with poverty, the neighborhoods to which relocatees moved were gaining minority residents at a rate 50% greater than the city as a whole. One-third of relocatees moved to neighborhoods that had gained between 10% and 20% minority residents during the previous decade, and another 23% moved to neighborhoods that saw an increase of more than 20 percentage points in minority residents during the 1980s.

Multivariate Analysis Multiple regression analysis was undertaken to determine which demographic or resource characteristics were associated with moves away from race and poverty concentration. Dependent variables for the analysis were (1) whether or not the relocation neighborhood was nonconcentrated, (2) the percentage of the relocation neighborhood that was minority, and (3) the percentage of the relocation neighborhood population below the poverty line.

The data in Table 23 show that being White significantly reduced the odds of relocating to a concentrated neighborhood, holding all other factors constant. Families relocated by SORC were also less likely to move to concentrated neighborhoods. Families that purchased homes and families that moved into public housing were both less likely than Section 8 families to move to concentrated neighborhoods. Finally, moving within the central cities significantly increased the odds of relocating

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to a neighborhood that was race or poverty concentrated, or both.

The last two columns of Table 23 show essentially the same patterns. When examining the actual percentage of minority and poverty residents (rather than using the thresholds provided by the consent decree), it appears that White relocatees (compared to African Americans) moved to neighborhoods with fewer minority residents.

SORC relocatees moved to neighborhoods with fewer minorities and less poverty than did Schock relocatees. Families that became homeowners also moved to neighborhoods with fewer minorities and less poverty than did Section 8 participants. Families that moved to public housing relocated to neighborhoods with fewer minorities than did Section 8 participants. Finally, families that relocated within the central cities moved to neighborhoods with significantly more minority residents and poverty than did relocatees who left the central cities.

Residential Stability

As of September 1999, 80% of the relocated families had remained in the housing unit to which they were relocated. Another 14% had moved once, and slightly more than 5% had moved more than once. Although incomplete, the data for the second move show the average length of time for families at the initial relocation address was 344 days, or just under one year. One family moved after just 23 days in their new location. Southeast Asian families were less likely to have moved again (only 25.3% had moved) compared to White and African American families (38.9% and 34% respectively). Smaller families had moved again at a higher rate than larger families, and a higher percentage of the lowest income families had moved compared to the higher income relocatees. Non-senior families had made a second move more frequently than senior relocatees. The propensity to move again was also related to where, and in what type of housing, the relocated families resettled. For example, 37% of the relocatees in Section 8 housing, and 39% of the relocatees who had moved into the private market without subsidies, had moved again as of September 1999, compared to 21% of the homeowners and 23% of those who had relocated to public housing. Finally, 41% of respondents who had moved to the inner-ring suburbs had moved again, compared to 28% of those who had moved within the central cities and 29% of those who had moved beyond the inner-ring suburbs. This pattern is accounted for by the fact that 8 of 10 families who initially moved to the western inner-ring suburbs moved again. In fact, 6 of the 7 families that moved to a single Hopkins apartment complex moved again within the time frame of this study.

Table 23. Regression Results

	Logistic model		OLS model		OLS model	
	Reconcentrated	Sig.	Pct. minority	Sig.	Pct. poverty	Sig.
White	-1.38	*	-.16	**	-.08	
SE Asian	-.38		.01		-.01	
Single parent	-.30		-.03		-.03	
Over 55	.33		.03		.04	
HH size	.09		.01		.01	
Income	-.01		.00		.00	
Employed	-.44		-.05		-.03	
Long term PH	.19		.04		-.01	
SORC	-.45	**	-.07	**	-.05	**
Homeowner	-1.47	***	-.15	***	-.08	***
Public housing	-.26	**	-.08	**	-.04	
Central city	1.58	***	.29	***	.19	***
Constant	-.27		.18	***	.18	***
F	—		7.722	***	7.49	***
Pct. correct	65.6		—	—	—	
Adj. R ²	.142 [†]		.194		.188	
N	337		337		337	

[†]Cox and Snell adjusted R-square.

An analysis of the neighborhood characteristics of these movers indicates a movement back to neighborhoods with lower incomes and greater poverty (see Table 24). T-tests comparing statistical means for the relocation neighborhood (the census tract to which families were initially relocated) and the current neighborhood (the census tract in which families lived at the time of data collection) revealed significant differences on several indicators. Current neighborhoods had slightly more very low income families on average (37.9% to 34.0%), lower median incomes (\$21,481 to \$23,076), more families receiving public assistance (20.8% to 18.4%), more children in poverty (40.9% to 36.3%), and a higher overall poverty rate (29.3% to 26.2%) than did the average relocation neighborhoods for families that moved (all t-statistics significant at $p < .05$ or less). The current neighborhoods of families that had subsequently moved were also characterized by lower cost housing, with a larger percentage of low-rent units (22.3% to 18.7%) and lower median house values (\$59,197 to \$72,247) compared to the initial relocation neighborhoods.

Trends in the Current Neighborhoods of Relocates with Subsequent Moves

Evidence shows that relocatees who had moved since first being relocated moved to neighborhoods in which the increase in poverty and minority populations were greater than that of the initial relocation neighborhoods. For these “movers,” the neighborhoods to which they moved the second time experienced increases in poverty and minority populations twice that of the city of Minneapolis. These neighborhoods attracted minority and poor residents at rates higher than the initial relocation neighborhoods.

More than one-third of the movers (34.4%) had ultimately located in a neighborhood in which the poor population had grown by more than 10% during the 1980s, while 19.2% had moved to neighborhoods with no change or a reduction in the poverty rates during those years. At the time of data collection, 60% of movers were in neighborhoods in which the minority population had grown by more than 10 percentage points during the 1980s.

One-third (or

Table 24. Neighborhood Characteristics of Initial Relocation Neighborhood Compared to Current Neighborhood for Relocates Who Have Moved More than Once ($n = 180$)

	Relocation neighborhood	Current neighborhood	Sig.
Pct. White	63.3	60.4	
Pct. Black	23.8	24.0	
Pct. Asian	7.0	9.3	**
Pct. high school graduates	29.1	30.3	**
Pct. college graduates	25.4	30.3	***
Pct. very low income [†]	34.0	37.9	***
Median household income	\$23,076	\$21,481	**
Pct. with income	75.3	72.4	***
Pct. receiving public assistance	18.4	20.8	**
Pct. children in poverty	36.3	40.9	**
Pct. population in poverty	26.2	29.3	**
Pct. homeowners	45.9	45.4	
Pct. housing units built before 1939	43.6	47.3	
Pct. housing units with 3+ bedrooms	37.6	36.5	
Pct. low-rent units [‡]	18.7	22.3	**
Pct. low-value homes [§]	73.2	77.3	
Median value of housing units	\$62,247	\$59,197	**
Pct. female-headed households	15.0	15.4	
Pct. labor force employed	68.7	66.6	

** $p < .05$ *** $p < .01$

[†]Income less than \$15,000.

[‡]Rents below \$300.

[§]Values below \$75,000.

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18) of the movers had relocated to nonconcentrated neighborhoods and then subsequently moved back into neighborhoods that were either poverty or race concentrated, or both. Seven families made the opposite move, from a relocation neighborhood that was concentrated to a subsequent neighborhood that was not concentrated. On balance, therefore, mover-families were slightly more likely to be reconcentrated than the entire population of displacees.

CONCLUSION

The data presented on the relocation of families from the north side public housing site in Minneapolis offers an opportunity to examine the potential of displacement and relocation for deconcentrating poverty in U.S. cities. This is a growing policy concern given the focus on deconcentrating poverty and recent HUD initiatives such as HOPE VI (which has resulted in a significant number of public housing units being demolished) and the “vouchering out” of federally subsidized housing projects.

The data show that most relocatees from the four Minneapolis public housing projects preferred to remain in one of the region’s two central cities. The overwhelming preference of residents was to remain in Minneapolis and more specifically on the city’s north side. Families also preferred a housing type that matched their needs. Larger families tended to prefer something other than Section 8, a rational response to the region’s very tight housing market and the lack of larger units. In fact, 87% of relocatees moved to another central-city location, and more than 55% stayed within a three-mile radius of the north side site from which they were displaced.

The neighborhoods that relocatees inhabited at the time of data collection showed significantly lower levels of distress on every category measured: less poverty, more homeownership, higher employment rates, fewer people on public assistance, and so on. This provides a great deal of support to those who see the demolition of highly concentrated public housing and the relocation of families as a means of improving the neighborhood conditions of those families.

The data suggest four caveats to that conclusion, however. First, this brief multivariate analysis shows that the choices that families make—especially the choice to move out of the central city and the choice to become homeowners—are extremely important in determining subsequent levels of neighborhood poverty and racial concentration. In this case, most families (73%) preferred the central city, which significantly increased the likelihood of their reconcentrating. Very few families (16%) had both the resources and preference to become homeowners.

Second, only half of the families that were displaced from the north side site were able to move to a neighborhood that was neither race nor poverty concentrated. Whether this figure is high or low depends upon the expectations one has for such relocation efforts.

Third, one in five families has moved again (less than two years after their initial relocation), and the moves have been to neighborhoods with higher measures of “distress” than those to which they were originally relocated. This raises the concern that families will, over time, return to the types of neighborhoods from which they have been displaced. (Although this concern is real, it should be pointed out that the very high concentration of race and poverty on the north side site in Minneapolis has no match in the entire metropolitan area.)

Fourth, the analysis shows that the neighborhoods to which relocatees were moved—although they had significantly lower levels of poverty and fewer people of color in 1990—were neighborhoods with the greatest growth in poverty and populations of color during the previous decade. That is, it seems that most families were moving to neighborhoods that were themselves moving in the direction of greater concentrations of race and poverty.

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HOLLMAN v. CISNEROS

Deconcentrating Poverty in Minneapolis

**Report No. 6:
The Experiences of Dispersed Families**

by Edward G. Goetz

Center for Urban and Regional Affairs
University of Minnesota



UNIVERSITY OF MINNESOTA

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INTRODUCTION

The consent decree in *Hollman v. Cisneros*, signed in 1995, committed the Minneapolis Public Housing Authority, the U.S. Department of Housing and Urban Development, and their co-defendants to a series of dramatic policy changes. First, four north side public housing projects and dozens of scattered-site public housing units would be reviewed for possible demolition or disposition. Second, the defendants would create up to 770 units of replacement public housing in nonimpacted areas of the city and suburbs. Third, the displaced residents of the demolished scattered-site and north side public housing were to be relocated with public assistance. Fourth, the 73-acre north side site was to be redeveloped. Fifth, hundreds of tenant-based housing subsidies would be made available to Minneapolis public housing residents to enable them to move out of areas of race and poverty concentration. Sixth, changes in the operation of the Minneapolis Section 8 program would occur to make it easier for participants to exercise geographic choice. Finally, an affordable housing clearinghouse would be created to provide low-income families a centralized source of information about housing options in the metropolitan area.

The Center for Urban and Regional Affairs (CURA) at the University of Minnesota was contracted by the Family Housing Fund of Minneapolis–St. Paul and by the State of Minnesota in 1998 to conduct an evaluation of the implementation of the consent decree. This is the sixth in a series of eight reports generated by the consent decree.

This report examines the experiences of *Hollman* families in their new neighborhoods based on in-person interviews.

THE EXPERIENCES OF DISPERSED FAMILIES

This report examines the experiences of *Hollman* families in their new neighborhoods. The analysis is based on in-person interviews with random samples of families in five different groups. The first three groups are those who have moved as a result of the *Hollman* settlement. These include families involuntarily displaced by the demolition of public housing, families who voluntarily moved into replacement units, and families who voluntarily used the mobility certificates. Two other groups of households were interviewed as comparison groups: participants in the city's regular Section 8 program, and a group of "stay-at-home" public housing residents still living in concentrated neighborhoods. A total of 618 interviews were completed between June 1999 and February 2000. The completed sample includes 195 displaced households, 32 residents of replacement housing, 18 families who have used the special mobility certificates, 200 regular Section 8 participants, and 173 stay-at-home public housing households.¹ At the time of data collection, little progress had been made in developing replacement units and great difficulty had been encountered in successfully utilizing the mobility vouchers, thus the number of households in these groups is smaller compared to the others. In addition to the interview data, census information is used to help characterize the neighborhoods in which the survey respondents live.

VOLUNTARY VS. INVOLUNTARY MOBILITY

The *Hollman* consent decree incorporates two different strategies for deconcentrating Minneapolis public housing residents. First, a group of residents living in the north side public housing projects lost their units to demolition. These families were involuntary participants in the deconcentration effort in the sense that they were forced to relocate. Families who moved into the replacement housing and those who used the special mobility certificates, on the other hand, applied to the program voluntarily. In the analysis to follow, the responses of those in replacement housing and those who have used the special mobility certificates are combined into a single "voluntary group." Figure 1 shows the study subgroups and how respondents are categorized. The analysis presented in this report focuses on the effect of voluntary and involuntary mobility programs. Thus, the report analyzes and compares the experiences of two treatment groups, the voluntary and involuntary participants in

¹ For more information on the survey process, see Minnesota Center for Survey Research 2000.

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the *Hollman* deconcentration program, and two control groups, the Section 8 and the public housing families.

The voluntary and involuntary mobility strategies share the same policy objectives—the deconcentration of poverty, the reduction of social problems associated with concentrated poverty, and the improvement of living environments for the families involved. Nevertheless, there are important differences between these approaches. In the displacement approach, families are forcibly moved out of their previous homes, their units are typically demolished or converted to market-rate housing, and they are given assistance in relocating to other homes and apartments in the area. Forced relocation efforts affect the entire subsidized population of a development and therefore impact a wide range of families. The displacement approach targets those developments in which poverty is most highly concentrated and those developments facing the greatest physical and social challenges. Because this approach typically focuses on a single, older subsidized housing development, the impact on existing poverty concentrations is usually quite significant. On the other hand, the deconcentrating impacts of displacement are not as great at the relocation stage because families that are displaced through demolition or conversion are not restricted in their choice of relocation neighborhood. Thus, it is possible that they may move to other neighborhoods of concentrated poverty.

The voluntary mobility approach differs on all of these dimensions. In voluntary programs, families apply for assistance to move out of poverty neighborhoods. At the same

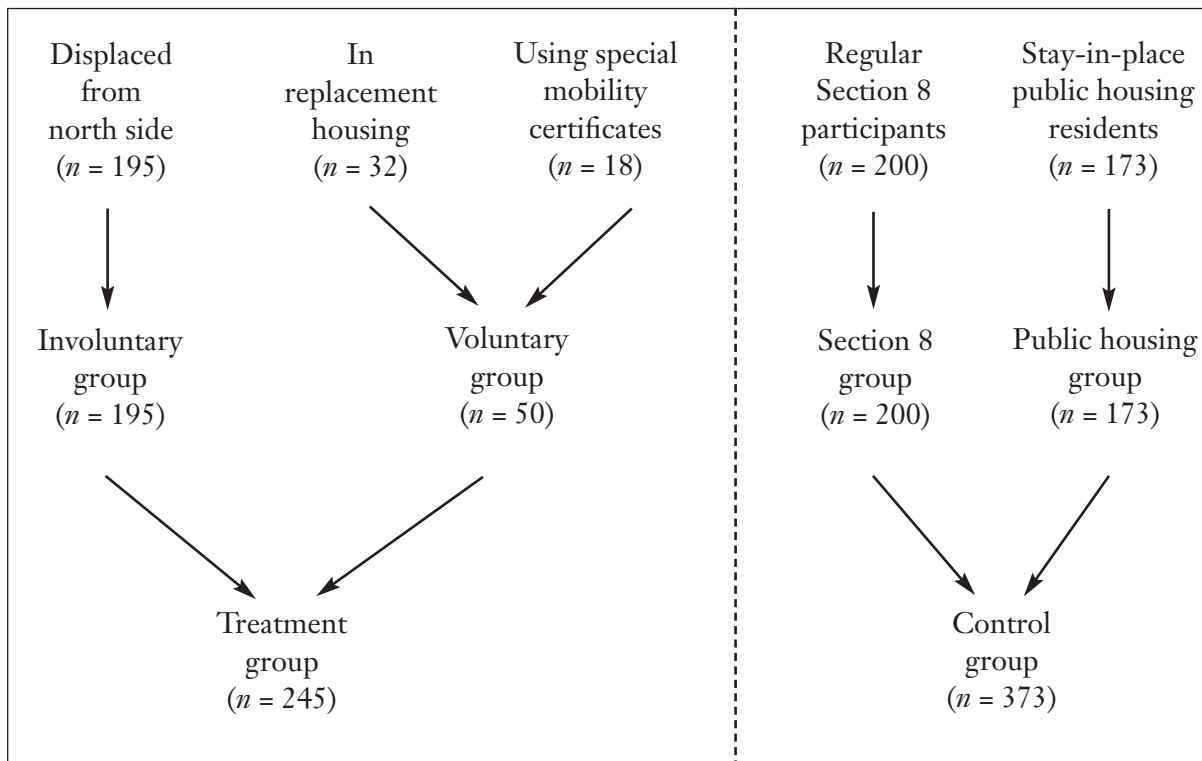


Figure 1. Study Subgroups

time, mobility programs typically screen applicants and, as a result, select participants most likely to succeed in middle-income neighborhoods (Hogan 1996). This approach restricts the range of families assisted much more than does the displacement approach. The impact on existing concentrations of poverty is also more diffused than in the displacement approach because applicants may come from a variety of disadvantaged neighborhoods rather than a single housing development. However, deconcentration after relocation is guaranteed because most mobility programs require participating families to move to neighborhoods of low poverty. While this program feature guarantees deconcentration of poverty, in effect it also restricts the mobility choices of participating families.

The *Hollman v. Cisneros* case provides a natural opportunity to analyze voluntary and involuntary approaches within the same community and housing market—a research strategy that has not been used in any previous study.

HYPOTHESES

Previous research has shown that both approaches produce improvements in the living environments of families (see *Report No. 1: Policy Context and Previous Research on Housing Dispersal*). Typical research designs compare the relocation experience of families with their self-reported situation prior to relocation, or alternatively, to the experience of a control group of families that did not move. In this study, both methods of analysis were employed. As with previous research, this study tested the Program Hypothesis: *Families involved in the deconcentration program will report improvements in their living conditions relative to their previous places of residence and relative to control groups.*

Yet the question persists as to how forced displacement and voluntary approaches differ for the families involved. Thus, an additional hypothesis, not typically addressed in previous research, was also tested, namely that these methods differ in their impacts on families. The Method Hypothesis states: *Displaced families will report fewer improvements in living conditions and more problems in relocation compared to voluntarily mobile families.*

ANALYSIS

In this analysis, the program and method hypotheses are examined in a repeating pattern. Tests are reported that summarize survey responses across the four treatment and control groups. This is done in two ways. First, responses are presented for items concerning respondents' judgments of their current neighborhoods, allowing a comparison of current conditions across all four groups. Second, pre-move and post-move neighborhood judgments for the two treatment groups are presented, allowing an analysis of the change in conditions from their previous neighborhoods to their current communities. Program effects exist where families who have been deconcentrated report significantly better conditions in their living environments compared to families who have not been deconcentrated,

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or compared to their experiences prior to moving. Method effects exist when the two treatment groups (displaced and voluntary) differ from each other in their reported conditions, or when differential program effects occur. In addition, results are presented for multivariate tests that were conducted, controlling for the differences in demographic characteristics across groups, to determine whether the program or method effects stand up in the face of demographic differences across the groups or whether they are artifacts of those differences.²

Characteristics of the Respondents

Descriptive analysis of the sample shows important differences across the four groups. Households who volunteered for mobility are significantly younger on average (mid-30s compared to early 40s) than members of the other groups and reported significantly higher incomes (\$221 to \$324 per month) than other respondents (see Table 1). On both of these items, displaced families differ from the voluntary group but not from the control groups. Displaced households also are typically larger than the control group families, although not statistically different from the voluntary group. Displaced households are much more likely to be Southeast Asian (57%) than the other groups (for which Southeast Asians accounted for no more than 26% in any single group) and there are relatively fewer African Americans and European Americans in this category than in the other groups. Finally, members of displaced households are significantly more likely to lack a high school education and to have spent more than five years on public assistance than members of the other three groups. These group differences were used as control variables when testing for program and method effects. There were no statistically significant differences among groups with respect to the likelihood that respondents were employed at the time of the interview.

² The multivariate analysis of program and method effects incorporated a series of four regression equations for each of the dependent variables. Respondents' answers regarding social interaction, neighboring, satisfaction, and other items represent the dependent variables in multiple regression equations in which the demographic questions and treatment group dummies are included as explanatory variables. In the first equation estimated for each dependent variable a single treatment/control group variable was used, coded "1" if the respondent was in either treatment group and "0" if the respondent was in either control group. These equations tested whether reports of current conditions varied across treatment and control groups. But they did not test for different treatment effects across treatment groups (i.e., method effects). Thus, a second set of equations was created in which two dummy variables were used, one coded "1" if the respondent was involuntarily displaced and another coded "1" if the respondent was in the voluntary group. These two variables were then examined for their impact relative to the third omitted category, the control group. This allowed a separate judgment of program effects for each of the two treatment groups. One could argue that these equations, in fact, test for both program and method differences simultaneously. If the coefficient for one of the treatment dummies reaches statistical significance when the coefficient for the other one does not, or when the signs for the two variables contrast, method effects could be said to exist. But to directly test the proposition that the coefficients for the two treatment groups differ, the equations were repeated, making the displaced group the omitted category. The statistical significance of the coefficient for the voluntary group in these equations indicates whether a method effect has occurred.

Finally, a fourth equation was estimated using the pre- and post-move responses, computed as change scores, for the two treatment groups. These change scores were the dependent variables in equations that included a single dummy variable (coded "1" if the family is among the displaced group and "0" if they are voluntary participants in the mobility program) and the same set of demographic variables previously described. (Control groups did not, of course, experience the "treatment"—which was to change residence—and thus they were not asked questions about any previous residence.) The coefficient for the treatment variable is yet another check for the existence of method effects.

Table 1. Characteristics of Survey Respondents

	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
Respondent Characteristics	Displaced	Voluntary	a-b p value	Section 8	a-d p value	b-d p value	Public housing	a-g p value	b-g p value
Pct. African American	40	66	***	58	***	—	61	***	—
Pct. Southeast Asian	57	18	***	3	***	***	26	***	—
Pct. employed	36	48	—	45	—	—	39	—	—
Pct. on public assistance more than five years	47	20	***	31	**	—	26	***	—
Pct. less than high school education	44	31	—	30	**	—	31	*	—
Number of years at current address (mean)	1.9	1.5	—	3.8	***	***	5.4	***	***
Monthly income (mean)	\$1,131	\$1,352	*	\$1,110	—	*	\$1,028	—	**
Household size (mean)	4.95	4.98	—	3.19	***	***	4.28	*	—
Age of respondent (mean)	42	36	*	41	—	*	40	—	*
<i>n</i>	195	50		200			173		

* p < .05, ** p < .01, *** p < .001 based on χ^2 for numbers given in percentages, or on t-tests for differences in means.

There is another important way in which the sample subgroups differ—the length of time they have been at their current addresses. As expected, the treatment groups reported a much shorter period of residence at their current addresses (just less than two years) than did the control groups (just less than four years for the Section 8 group, and five and one-half years for the stay-at-home public housing group). For some items examined below, especially the neighboring behaviors and social experiences of respondents, length of time in residence was added to the demographic control variables listed above.

Neighborhood Characteristics

The primary objective of the deconcentration efforts in *Hollman* and other programs like it around the country is to improve the neighborhood conditions of poor families. Geo-coding of addresses allows analysis of the census characteristics of the neighborhoods inhabited by the survey respondents. The data presented in Tables 2 and 3 allow a judgment as to whether the socioeconomic conditions of deconcentrated families have improved. In Table 2, and in many of the tables that follow, the socioeconomic data are presented in columns a, b, d, and g. Table 2, for example, shows that the average neighborhood to which displaced families relocated had a 33.3% minority population, and 13.8% of the households were female-headed. Respondents who were voluntary mobility participants live in neighborhoods that average just 13.4% minorities and 6.8% female-headed households. Columns d and g present the same information for respondents in the Section 8 and public housing control groups. The rest of the columns indicate whether or not the differences between the groups are statistically significant.³ Column c reports the findings from the comparison of the two

³ For example, to indicate that the difference between the two groups has less than a 5% chance of being a random outcome, a single asterisk is used. Two asterisks indicates that there is a less than 1% chance of the difference being random, and three asterisks indicates the probability is less than 1 in 1000.

Table 2. Characteristics of Respondents' Current Neighborhoods

	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
Neighborhood Characteristics	Displaced	Voluntary	a-b p value	Section 8	a-d p value	b-d p value	Public housing	a-g p value	b-g p value
Pct. minority	33.3	13.4	***	34.9	—	***	44.3	***	***
Pct. no high school education	9.4	5.5	***	8.4	*	***	12.0	***	***
Pct. female-headed families	13.8	6.8	***	13.4	—	***	16.3	*	***
Pct. employed	70.3	77.8	***	70.6	—	***	72.9	*	*
Pct. on public assistance	15.7	7.6	***	17.1	—	***	21.3	***	***
Pct. children in poverty	34.5	14.3	***	40.0	*	***	58.5	***	***
Pct. population in poverty	24.3	9.5	***	25.7	—	***	29.6	***	***
Pct. very low income	32.6	17.3	***	36.3	*	***	42.8	***	***
Median household income	\$24,290	\$37,133	***	\$22,051	**	***	\$18,865	***	***
Pct. homeowners	53.6	72.6	***	42.7	***	***	29.6	***	***
Pct. low-rent units	17.8	7.9	***	19.0	—	***	22.5	**	***
Pct. low-value homes	71.7	44.9	***	71.6	—	***	60.7	***	**
Median home value	\$63,731	\$87,834	***	\$67,039	—	**	\$83,395	***	—
<i>n</i>	195	50		200			173		

Note: Shaded cells indicate a negative program effect (i.e., a statistically significant relationship that is opposite of the direction posited by the program hypothesis).

* p < .05, ** p < .01, *** p < .001 based on t-tests for differences in means.

Table 3. Pre- and Post-Move Neighborhood Characteristics for Treatment Groups

	Involuntary			Voluntary		
	Pre-move	Post-move	p	Pre-move	Post-move	p
Pct. minority	85.4	33.1	***	42.4	13.4	***
Pct. with no high school degree	30.6	9.4	***	15.4	5.6	***
Pct. female-headed households	27.5	13.7	***	16.7	6.7	***
Pct. employed	39.5	70.3	***	63.3	77.4	***
Pct. on public assistance	55.3	15.7	***	27.7	7.7	***
Pct. of children below the poverty level	74.4	34.7	***	47.3	14.1	***
Pct. of population below the poverty level	68.2	24.4	***	38.2	9.4	***
Pct. very low income	71.7	32.7	***	45.2	17.4	***
Median household income	\$9,352	\$24,254	***	\$20,954	\$37,191	***
Pct. homeowners	7.5	53.4	***	31.9	73.3	***
Pct. units low-rent	73.6	17.7	***	37.8	8.1	***
Pct. homes low-value	94.2	71.4	***	60.1	45.1	***
Median value of homes	\$52,206	\$63,871	***	\$73,496	\$88,094	***
<i>n</i>	195			48		

* p < .05, ** p < .01, *** p < .001 based on t-tests for differences in means.

treatment groups and is thus a direct examination of the method hypothesis. In Table 2, for example, the difference in average neighborhood racial makeup between the displaced and voluntary groups (as measured by the percentage of the population that is minority) is highly significant. This finding provides support for the method hypothesis, which suggests a differential experience in relocation across the two treatment groups. Columns e and f present the p-values for the comparison of the Section 8 group with the displaced and the voluntary

treatment groups, respectively. Thus, continuing the example and using the percentage of the population that is minority, one sees that the difference between the displaced and the Section 8 groups is not significant at the .05 level (column e), while the difference between the voluntary group and the Section 8 control group is highly significant. These findings suggest that the program hypothesis is not supported for the displaced group but is supported for the voluntary group. It also should be noted that such an example of a differential program effect is further evidence of a method effect. The final columns, h and i, repeat the analysis for the public housing control group. The shaded items indicate a significant relationship that is in the opposite direction predicted by the program hypothesis.

Table 2 indicates strong support for the method hypothesis (that there are differences between the displaced and the voluntary groups) and somewhat less consistent, although still strong, support for the program hypothesis (that there are differences between the treatment and control groups). Displaced families moved to neighborhoods with a higher percentage of minority residents on average compared to voluntary participants (33 to 13%). Displaced families are also located in neighborhoods with less income, on average, than families who voluntarily relocated. The percentage of families with very low incomes (less than \$15,000), the percentage of the adult population on public assistance, and the percentage of children and total residents living below the poverty level are all considerably higher for the neighborhoods of displaced families than for those of the voluntarily mobile. This is, of course, what would be expected given that voluntary participants were obliged by program rules to relocate to neighborhoods that had both minority and poverty concentrations below the threshold set by the consent decree. *Report No. 5: Relocation of Residents from North Side Public Housing* shows that 58% of displaced *Hollman* households remained within a three-mile radius of the north side site, 87% remained in the central city, and 50% moved to other neighborhoods that were characterized as minority concentrated, poverty concentrated, or both.

On most items, however, the displaced group is no different than the regular Section 8 control group (see Table 2, column e). Of the five items for which there is a statistically significant difference, one of them (percentage of the population lacking a high school degree, which is shaded in the table) is in the opposite direction to that predicted by the program hypothesis. Thus, there is only weak support for the program hypothesis in the case of the displaced Section 8 group comparison. There is more support for the program hypothesis, however, when the displaced group is compared to the stay-at-home public housing control group. Here all the differences are statistically significant, although 3 of the 13 are in the direction opposite of that expected.

In contrast, there is uniform and strong support for the program hypothesis when the voluntary group is considered. On average these families live in neighborhoods with significantly less economic disadvantage than either of the control groups. The only exception to this pattern is the lack of statistical significance for the difference in median value of homes

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in the neighborhoods of the voluntarily mobile and the stay-at-home public housing comparison group. The contrast in program effects for the two treatment groups (i.e., the fact that there is less consistent support for program effects for the displaced group) reinforces the finding that method effects exist.

For members of the treatment groups, the census tracts of their previous addresses were also analyzed so that a pre- and post-move comparison might be made. Without exception, both the voluntary and the displaced groups, on average, moved to neighborhoods that compared favorably with the areas in which they had previously lived. Differences in means tests for all of the neighborhood characteristics considered were significant for both groups (see Table 3).

Multivariate analysis indicates that the program effects endure, even with the introduction of control variables. Program effects occur across all measures for the voluntary group. For the displaced group, there are positive program effects on all measures except employment rate, percentage of low-rent units, percentage of low-value homes, and median value of homes. For this last measure, there is actually a negative program effect; that is, when controlling for demographic differences across groups, displaced households relocated to neighborhoods that had, on average, lower median home values than the neighborhoods inhabited by the control groups.

For most items, the magnitude of pre- to post-move changes for the displaced group is significantly greater than for the voluntary group. This reflects the extremely high levels of disadvantage that characterized the two census tracts from which the displaced families came. These two tracts were dominated by the more than 1000 units of public housing that existed on the 73-acre redevelopment site and thus the poverty, income, and minority statistics for that neighborhood were far out of line with those of any other neighborhood in the entire city.

The Housing Search

Deconcentration efforts typically involve poor families moving away from neighborhoods of concentrated poverty. Although the goal is for families to move to a better neighborhood, the act of searching for housing can be time-consuming and expensive. In this section we examine the moving process, the difficulties faced by families, and the choices they made.

Families who were involuntarily displaced reported looking at an average of just less than 5 housing units to make their choice. Voluntary participants, on average, looked at 3.92 different units (difference not statistically significant). Both of these figures are significantly more than the average public housing resident reported (1.85), reflecting the greater amount of choice available to these families. Section 8 program participants reported looking at 7.5 units during their most recent housing search. By far, the majority of the respondents in all of the groups (60 to 75%) reported looking at 4 or fewer units, while a smaller percentage within each group reported looking at more than 10 units.

Respondents were asked how difficult it was to find units that met certain criteria such as affordability, size, and safety. Table 4 shows the percentage of respondents who answered either “difficult” or “very difficult” to these questions. The data show virtually no difference in search difficulty between the involuntary and voluntary program participants. The absolute percentages of respondents who reported difficulties in the housing search is notable, however. For most items, between 60% and 66% of the respondents reported difficulty in the search process which, for most respondents, took place in an increasingly tight housing market in 1997 and 1998.

On several items, the program participants reported greater difficulties in the housing search than did the Section 8 and the public housing comparison groups. Both the involuntary and the voluntary groups found it harder to find a location near friends and family and near public transportation than did the Section 8 group. The involuntary group also reported more difficulty than both comparison groups in finding units that had enough space, and more difficulty than the public housing group in finding an affordable unit.

Controlling for other characteristics in the multivariate analysis shows that the racial makeup of the respondents was more important in determining housing search difficulties than was program group. Southeast Asian, African American, and Native American respondents were significantly more likely than White respondents to report difficulties in the housing search process (data not shown).

Location and Housing-Type Preferences

A large majority of program participants wanted to move into a single-family home (75% of the involuntary group and 70% of the voluntary group). There is, in fact, no real difference in the housing preferences of respondents across the four groups, except that

Table 4. Difficulties in the Housing Search Process

	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
When you were looking for housing, how easy was it to find...	Displaced	Voluntary	a-b p value	Section 8	a-d p value	b-d p value	Public housing	a-g p value	b-g p value
a safe location?	62	62	—	66	—	—	55	—	—
a desirable area?	61	67	—	60	—	—	59	—	—
an affordable house or apartment?	63	61	—	61	—	—	55	**	—
adequate space?	66	50	*	54	**	—	42	***	—
a location near friends/family?	60	62	—	38	***	**	53	—	—
a location near public transportation?	34	30	—	15	***	***	23	***	—
a landlord willing to accept Section 8?	53	47	—	37	—	—	not applicable		
<i>n</i>	195	50		199			173		

Note: Figures in cells are the percentage of respondents who answered “difficult” or “very difficult.”

* p < .05, ** p < .01, *** p < .001 based on Mann-Whitney U test.

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Section 8 participants were slightly less likely to mention single-family home as the preferred housing type and somewhat more likely to mention apartment building.

Among involuntary participants, 55% reported that they found a home in the location they wanted, compared to 58% of the voluntary group members. This is similar to the percentage for the Section 8 group (53%), but higher than that reported by the public housing control group. Only 44% of the public housing group reported finding a unit where they wanted. This finding suggests a slight benefit from the choice provided to program participants.

Most of the respondents focused their housing search in Minneapolis. More than two-thirds of the involuntary group (70%) looked for housing only in the central cities (overwhelmingly Minneapolis). This was identical to the percentage for the Section 8 group, and statistically similar to the 86% of public housing residents who likewise narrowed their search to the central cities. The exception to this pattern was the voluntary group, who were much more likely to include suburban communities in their housing searches. In fact, just 32% of voluntary participants looked only in the central cities, while 68% looked in the suburbs of the region. Voluntary mobility participants also were more likely to look outside the inner-ring suburbs for their housing (40% compared to only 9% of the involuntary group).

Reasons for Moving and Choosing Current Neighborhood

Respondents who were forced out of their public housing units due to the demolition of the north side projects were asked if they wanted to leave their old units. A total of 40% answered yes, while 60% indicated that they did not want to leave. The desire to stay in the old units was greatest among Southeast Asian residents, 73% of whom indicated they did not want to move (compared to only 43% of African American residents). Among those whose first language is not English, 75% did not want to move. Finally, 76% of the displaced respondents who had been on public assistance long-term (more than five years) also reported that they did not want to move.

All survey respondents were asked why they chose their new neighborhood. The results are listed in Table 5. The involuntary mobility and public housing respondents were most likely to say that they had no choice of the neighborhood to which they relocated. This is understandable for public housing residents who must go where there are vacancies in the Minneapolis public housing stock, but it is more difficult to understand for displaced families. These families had no programmatic restrictions placed on where they could relocate. However, given that it is the most frequently mentioned response for displaced families, it is clear that relocatees felt significantly constrained in their housing search.

The mobility choices of low-income families are constrained by a number of things, including their incomes, the availability of affordable housing, and the willingness of landlords to rent units to them. On the other hand, in some cases families make choices for

Table 5. Reasons for Choosing New Neighborhood

	(a)	(b)	(d)	(g)
Why did you choose to live in this neighborhood?	Displaced	Voluntary	Section 8	Public housing
No choice	38	23	15	39
It was affordable	8	7	16	10
It was familiar	1	3	5	1
Convenient to family/friends	16	4	20	10
Because of the house/apt.	7	11	10	12
Safety	4	14	5	4
It was a good neighborhood	23	33	22	19
<i>n</i>	195	50	199	173

Note: Figures in cells are the percentage of all responses given by respondents in each category. Respondents could give multiple answers.

positive reasons—that is, they choose a neighborhood because of its positive attributes. It is possible to examine more closely the data in Table 5 to investigate the degree to which respondents listed as a reason for their choice of housing either a positive attribute or a constraint they faced during the housing search. The first three items listed in the table are constraints experienced by low-income families; that is, the families chose their current neighborhoods because they felt they had no choice, it was the only one they could afford to live in, or they limited themselves to areas with which they were familiar. The last three items in the table (the nature of the house, the safety of the neighborhood, and the quality of the neighborhood) represent positive attributes of the places they chose. The other item in the table, convenience and proximity to family and friends, might be a positive attribute for families with unlimited choice in the housing market. But very often for low-income families who need to be close to work, to a bus line, or to family and friends who help with childcare, such a response may represent another constraint on their house search.

We aggregated responses for the last three items in Table 5 to examine if any of the four groups reported these positive reasons for choosing their neighborhoods more frequently than other groups. In fact, there is a pattern to the responses. The involuntary group reported these positive neighborhood attributes 34% of the time, essentially the same rate at which the Section 8 and public housing comparison groups mentioned them (37% and 34%, respectively). Respondents who participated in the voluntary mobility portion of the *Hollman* settlement, however, mentioned these positive attributes 58% of the time. This suggests that they did not feel as constrained in their housing choice as the other groups and that they moved into neighborhoods because of positive elements that attracted them. The involuntary group felt significantly more constrained in their choices than did the voluntary group and their responses were, in fact, indistinguishable from the comparison groups' responses on this issue.

Children’s Experiences

Previous research in Chicago and other cities has shown that the children of poor families are among the beneficiaries of mobility programs that take poor families out of high-poverty neighborhoods. Changes are especially noticeable in the school environments of children and in their socialization patterns.

The questionnaire included a short series of questions about the experiences of children in their new neighborhoods. Table 6 shows the percentage of respondents who “agreed” or “somewhat agreed” with a series of statements about their children’s experiences in their new homes.⁴ The first three rows in this table deal with children’s experiences in school. Responses for these items support neither the program nor the method hypothesis. That is, there is no statistical difference between the responses of the displaced and the voluntary groups (indicating a lack of method effect), nor is there any statistically significant difference in response between either of the treatment groups and either of the control groups (indicating lack of program effects) for any of the three items. Furthermore, the multivariate analysis controlling for demographic differences across groups confirms the lack of program or method effects (data not shown).

Table 7 presents the pre-test/post-test differences in rankings for the two treatment groups.⁵ The findings for the first three items related to children’s school experiences reinforce the conclusion that neither program nor method effects occurred. For the displaced group there is only one significant change in pre- and post-move attitudes and that is in the wrong direction (respondents are less likely to agree that their children are receiving enough attention from their teachers post-move compared to what they felt was happening prior to their relocation). Among the voluntary group, there is no statistically significant change on any of the items.

Table 6. Children’s Experiences

	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
My Child...	Displaced	Voluntary	a-b p value	Section 8	a-d p value	b-d p value	Public housing	a-g p value	b-g p value
likes school	84	78	—	78	—	—	83	—	—
does well in school	76	87	—	81	—	—	72	—	—
gets attention from teacher	82	85	—	70	—	—	79	—	—
has friends in neighborhood	53	73	*	66	—	—	53	—	*
plays with others in neighborhood	49	77	***	68	***	—	51	—	**
<i>n</i>	158	48		143			148		

Note: Figures in cells are the percentage of respondents who agreed with each statement. Shaded cells indicate a negative program effect (i.e., a statistically significant relationship that is opposite of the direction posited by the program hypothesis).

* p < .05, ** p < .01, *** p < .001 based on Mann-Whitney U test.

⁴ The test statistic is the Mann-Whitney U, which tests for differences in rankings across two independent samples.

⁵ The pre-to-post-test analysis tests for differences within a single population. Thus, the test statistic used is the Wilcoxin Signed Rank test.

Table 7. Children's Experiences in School, Pre- and Post-Move for Treatment Groups

My Child...	Displaced			Voluntary		
	Pre-move	Post-move	p	Pre-move	Post-move	p
likes school	89	84	—	87	78	—
does well in school	85	76	—	87	87	—
receives attention from teacher	88	82	*	74	85	—
has friends in the neighborhood	74	53	***	67	73	—
plays with others in the neighborhood	76	49	***	71	77	—

Note: Answers coded from 1 (strongly agree) to 5 (strongly disagree). Shaded cells indicate a negative program effect (i.e., a statistically significant relationship that is opposite of the direction posited by the program hypothesis).

* $p < .05$, ** $p < .01$, *** $p < .001$ based on Wilcoxin Signed Rank test.

The final two items examined in Tables 6 and 7 relate to children's social experiences. On these two items there are significant differences between the displaced and the voluntary group respondents. Compared to the voluntary mobility group, respondents who were displaced from their homes were significantly less likely to agree with the statements indicating their children have friends in their new neighborhoods and that their children play with others in the new neighborhood (see Table 6).

This method effect is also evident in Table 7. With respect to the pre- and post-move conditions, the mean responses of the displaced group change significantly (and in the "wrong" direction); however, there is no such change among respondents in the voluntary group. Taken together, the findings suggest that displaced respondents considered their children to be more socially isolated after their relocation than did those respondents who voluntarily relocated. When controlling for group differences, the method effect disappears for the item related to having friends in the neighborhood. The method effect remains, however, for the last item, "plays with others in the neighborhood" (data not shown).

There are contradictory program effects for the two items related to children's social experiences. Respondents in the displaced group reported significantly less social interaction for their children on the last item ("plays with others in the neighborhood") than did respondents in the Section 8 group (suggesting a negative program effect), but they are statistically indistinguishable from the public housing control group. On the other hand, the voluntary group is statistically indistinguishable from the Section 8 group and reported greater social interaction for children across both measures than did the public housing group.

The multivariate analysis for these two items (data not shown) indicates support for a program effect on both items for the voluntary group and a lack of program effect for the displaced group. The multivariate analysis also shows that Southeast Asian respondents consistently reported significantly less social interaction for their children.

Neighboring Behaviors

Among the hypothesized benefits of moving to lower poverty neighborhoods is the possibility of lower income families benefiting from the greater levels of social capital that exist in

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middle-class neighborhoods (Briggs 1998). As Briggs argues, there are two types of social capital that can benefit families: the type that helps them to *get by* on a daily basis (e.g., a ride somewhere, a cup of flour, or 30 minutes of informal childcare) and the type that helps them to *get ahead* (e.g., job tips, references, and connections). Either type of social capital exchange, of course, requires that people talk to their neighbors. In neighborhoods of concentrated poverty where, perhaps, high crime levels have driven people behind their doors, social capital exchanges can suffer. Furthermore, research has shown that in very poor neighborhoods, people's social networks are often smaller and more redundant than is the case in middle-class neighborhoods. This limits the formation of the social capital that allows people to better their situations. In this section, we examine the respondents' neighboring behaviors and social experiences.

Social Experiences

One in four respondents in the involuntary group reported getting help from neighbors when moving into their new home or apartment. This is slightly higher than the 14% of the voluntary mobility participants (a difference that is not statistically significant). One fourth of the involuntary group respondents also reported that they had been treated badly by a neighbor in their new neighborhood. Again, this is not significantly different from the voluntary group, in which mistreatment was reported by just less than one-third (32%) of respondents. It is difficult to say whether these numbers are high or low without comparable information about others (the comparison groups were not asked this question).

When respondents were categorized by race, the data show that African Americans were more likely to receive help moving in compared to the other racial groups, while Southeast Asian respondents were significantly less likely to receive help from neighbors (data not shown). There are no differences across racial categories in reported mistreatment from neighbors. This does not mean, however, that the mistreatment was not related to race. Indeed, 32% of those who gave a reason for their mistreatment at the hands of their new neighbors mentioned race. This did not vary by the location of the family; 32% of those living in the city who reported mistreatment by neighbors and gave a reason for it mentioned race, compared to 31% of those in the suburbs. Southeast Asian respondents were much more likely to mention race as the reason for troubles with neighbors than were African Americans (43% to 17%).

Respondents were also asked about the presence of friends and family in their current neighborhoods. Table 8 presents the results. The data show that two-thirds of the voluntary group (66%) report having made new friends in their neighborhoods, compared to only 43% of the involuntarily displaced families. In this respect the voluntarily mobile are similar to the Section 8 comparison group, in which 63% of respondents reported new friends in the neighborhood. The public housing comparison group falls somewhere in the middle and is not statistically different from the voluntary or the involuntary group.

The table also shows the proportion of new friends made by the respondents who are of the same race as the respondent. Interestingly, the Section 8 comparison group reports, on average, the highest percentage of same-race friends (73% of the new friends made by this group are same-race). Both the involuntary and voluntary mobility groups have significantly fewer same-race friends compared to the Section 8 group (54 and 45%, respectively). Once again, the public housing group is in between the extremes represented by the treatment groups and the Section 8 group.

There are few differences across the groups in the likelihood of having a close friend in the neighborhood or having family members living in the neighborhood. Voluntary mobility participants are less likely than the Section 8 group to report having a close friend in the neighborhood, and the involuntary group is actually more likely to report having a family member living nearby than the public housing group. None of the other differences between groups are statistically significant.

Neighboring and Community Involvement Behaviors

Respondents were asked how frequently they engage in a series of different neighboring behaviors and were asked to answer on a scale from “never” to “daily.” Tables 9 and 10 show the percentage of respondents who reported engaging in the behaviors more than two to four times a week. Table 9 reveals a mixed pattern of program effects, most of them negative. Displaced respondents reported being less likely than both control groups to have said hello to their neighbors, have talked with them for more than 10 minutes, had lunch or dinner with a neighbor, or have borrowed a neighbor’s car. It should be noted that except for the first two items in this table, the particular neighboring behaviors examined here were quite rare. Less than 10% (and in most cases less than 5%) of the respondents reported engaging in most of the behaviors listed. The two most common social interactions examined are verbal communications. Yet, on these two items, negative program effects occurred for the displaced group while no effects occurred for the voluntary group. These results indicate, at least preliminarily, a negative program effect—that is, deconcentration has

Table 8. Respondents’ Friends and Family in Current Neighborhood

	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
	Displaced	Voluntary	a-b p value	Section 8	a-d p value	b-d p value	Public housing	a-g p value	b-g p value
Pct. with new friends in neighborhood	43	66	**	63	***	—	52	—	—
Pct. of new friends who are of same race as respondent	54	45	—	73	*	*	61	—	—
Pct. with close friends who live nearby	34	22	—	39	—	*	35	—	—
Pct. with family members who live nearby	41	24	*	32	—	—	26	**	—

* p < .05, ** p < .01, *** p < .001 based on χ^2 , except for the second item for which a difference in means test was used.

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Table 9. Neighboring Behaviors

	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
In your neighborhood in the past six months, how often did you...	Displaced	Voluntary	a-b p value	Section 8	a-d p value	b-d p value	Public housing	a-g p value	b-g p value
say hello to your neighbors?	52	68	*	74	***	—	67	***	—
talk with neighbors for more than 10 minutes?	27	44	*	43	***	—	37	*	—
borrow things from your neighbors?	2	6	—	1	—	—	1	—	—
use your neighbor's telephone?	3	8	—	4	—	—	1	—	—
have lunch or dinner with your neighbors?	3	0	—	2	*	—	2	—	—
borrow your neighbor's car?	1	0	—	0	—	—	0	—	—
watch neighbor's child or have them watch yours?	5	10	—	7	*	—	7	—	—
<i>n</i>	195	50		199			173		

Note: Answers coded from 1 (daily) to 6 (never). Figures in cells are the percentage of respondents who reported engaging in the behaviors at least two to four times per week. Shaded cells indicate a negative program effect (i.e., a statistically significant relationship that is opposite of the direction posited by the program hypothesis).

* $p < .05$, ** $p < .01$, *** $p < .001$ based on Mann-Whitney U test.

Table 10. Neighboring Behaviors, Pre- and Post-Move

In your neighborhood in the last six months, how often did you...	Displaced			Voluntary		
	Pre-move	Post-move	p	Pre-move	Post-move	p
say hello to neighbors?	71	52	***	80	68	—
talk with neighbors?	52	27	***	60	44	**
borrow things from neighbors?	6	3	*	6	6	—
use neighbor's phone?	5	3	***	2	8	—
have lunch/dinner with neighbors?	3	3	**	2	0	—
borrow neighbor's car?	0	1	—	2	0	—
watch neighbor's child or have them watch yours?	11	5	**	6	10	—

Note: Answers coded from 1 (daily) to 6 (never). Figures in cells are the percentage of respondents who reported engaging in the behaviors at least two to four times per week. Shaded cells indicate a relationship that is opposite of the direction posited by the program hypothesis.

* $p < .05$, ** $p < .01$, *** $p < .001$ based on Wilcoxin Signed Rank test.

reduced displaced respondents' neighboring behaviors and consequently increased their social isolation. Voluntary group respondents, on the other hand, show no difference from the control groups on any of the items.

Table 10 suggests more widespread negative program effects than does Table 9. For all items but one, the members of the displaced group show negative program effects—that is, less neighboring after their moves than before. This occurs for only a single item (talking with neighbors) among voluntary participants.

All respondents were asked whether they were involved in community or volunteer activities in their neighborhoods. The data are presented in Tables 11 and 12. Table 11 shows that members of the involuntary group are less involved in community activities than

are the voluntary movers, and are significantly less involved than the two comparison groups. One-third of displaced respondents reported being involved in community activities, compared to one-half of the voluntary group respondents, 54% of the Section 8 group, and 53% of the public housing group. Both treatment groups reported less volunteerism in their current neighborhoods compared to the Section 8 and public housing groups.

Table 12 shows the pre- to post-move changes in involvement among the two treatment groups. The data indicate a decline in community activity and volunteerism among the involuntarily displaced families, and no significant change among the voluntary group members. The displaced respondents reported that prior to moving, 44% were involved in community activities. After relocating, that figure was down to 33%. Likewise with volunteering: 27% reported doing so prior to moving, but only 12% reported volunteering in their new communities.

Together these tables show moderate to strong support for method effects. On two of the seven items examined in Table 9, for example, the displaced group reported less activity than the voluntary group. Displaced respondents reported talking with neighbors less frequently than did the voluntary group, and they reported using their neighbors' phones less frequently as well. The data in Tables 11 and 12 show similar differences between the voluntary and involuntary groups.

Table 11. Community Activities of Respondents

	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
In this neighborhood, have you or your children been...	Displaced	Voluntary	a-b p value	Section 8	a-d p value	b-d p value	Public housing	a-g p value	b-g p value
involved in community activities?	33	50	*	54	***	—	53	***	—
a volunteer for any organization?	12	10	—	26	***	*	28	***	*
<i>n</i>	195	50		200			173		

Note: Figures in cells are percentage of respondents answering “yes.” Shaded cells indicate a relationship that is opposite of the direction posited by the program hypothesis.

* p < .05, ** p < .01, *** p < .001 based on χ^2 .

Table 12. Community Activities of Respondents, Pre- and Post-Move

In this neighborhood, have you or your children been...	Displaced			Voluntary		
	Pre-move	Post-move	p	Pre-move	Post-move	p
involved in community activities?	44	33	*	52	50	—
a volunteer for any organization?	27	12	**	22	10	—
<i>n</i>	195	195		50	50	

Note: Figures in cells are the percentage of respondents answering “yes.” Shaded cells indicate a relationship that is opposite of the direction posited by the program hypothesis.

* p < .05, ** p < .01, *** p < .001 based on χ^2 .

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Neighboring behaviors, however, are arguably an area that could be highly dependent upon demographic characteristics, and thus final judgment depends on a multivariate analysis that controls for the important differences across groups. Indeed, multivariate analysis provides almost no support for either program or method effects. When controlling for other items, differences across treatment groups and between treatment and control groups disappear for all but one item—the use of a neighbor’s telephone, which remains more common for the voluntary group relative to the control groups. Most important in determining these neighboring behaviors was whether or not the family was Southeast Asian (Southeast Asian families being less likely to report neighboring across most of the items) and the age of the respondent (who was also the head of household—older respondents reported less social interaction). The length of time a respondent had lived in his or her current home was not significantly related to any of the social interaction items when treatment groups were compared to control groups, but it was important in explaining the change from pre-to post-move levels. The longer a family had been at their new location, the more likely they were to report an increase in neighboring compared to when they lived in their previous neighborhoods.

It could be argued that an increase in social activity is too much to expect of a program that moves people out of their current communities and into new ones that are often quite distant geographically and socially. Some might argue that the lack of a negative program effect for most social interaction items is the most that could be expected and is actually an encouraging finding. The social capital argument, however, assumes some level of meaningful contact between the deconcentrated families and their new, more affluent neighbors. The data reported here suggest that for the involuntarily displaced group, the frequency of social interactions has diminished after moving. The increase in social isolation was greatest among Southeast Asians.

Closer examination of the voluntary group reveals significant differences in neighboring behaviors between those living in replacement housing and those who used the mobility certificates (data not shown). These two groups have been aggregated in the analysis thus far, but for the indicators of social isolation there are important distinctions. Those living in replacement housing report significantly higher levels of neighboring on most items. This is, in all likelihood, due to the nature of the replacement units. Although the replacement units were located in nonpoverty- or nonminority-concentrated parts of the metropolitan area at the time the survey was conducted, all of the replacement units were in fairly large subsidized projects. In contrast, families using mobility certificates were typically in market-rate apartment buildings. The voluntary group members who were living in replacement units, then, were living in mini-environments that mirrored (at least in income profile) the communities from which they came. The social interactions they reported are unlikely to be with higher income residents. Their immediate neighbors are also residents of subsidized housing. Thus, there is some concern that the social interactions necessary to activate the social capital effects described above may not be occurring for these families, and that some

of the findings reported here are an artifact of this situation. Unfortunately, the size of these subgroups is too small to permit further analysis at this time.

As another test of the social experiences of deconcentrated families, we examined the possibility that program participants were uncomfortable with racial dynamics in their new communities. When asked how satisfied they were with the racial makeup of their current neighborhoods, treatment group respondents did not differ from the control groups and the displaced group members actually reported greater satisfaction post-move than they had prior to moving (data not shown). Furthermore, when asked whether racial intolerance was a problem in their neighborhoods, the displaced group reported it to be less of a problem in their new neighborhoods, and they reported it to be less of a problem compared to both control groups. There were no effects, either across groups or across time for the voluntary group. These findings are corroborated by multivariate analysis.

Neighborhood Satisfaction

Given the significant change in the socioeconomic characteristics of their new neighborhoods (shown in Tables 2 and 3), it is plausible that both the voluntary and involuntary mobility participants would report significant increases in neighborhood satisfaction. Respondents were asked about the degree to which they were satisfied with eight separate neighborhood characteristics. The data are shown in Tables 13 and 14. There is only sporadic and inconsistent evidence for program effects related to neighborhood satisfaction. Both of the treatment groups, for example, rated the bus service in their neighborhoods less positively than did the Section 8 control group, but rated the schools more positively. The displaced group rated bus service less positively than did the public housing control group, and rated the proximity of healthcare lower than both control groups. On the other hand, significant and positive program effects occurred for satisfaction with neighborhood grocery stores and parks, although the difference for the displaced vs. Section 8 group comparisons does not reach statistical significance.

The pre- and post-move differences shown in Table 14 are also inconsistent. On only one of the eight items (bus service) did both the displaced and the voluntary groups show significant change in the same direction. On another three items, both groups showed no change, and for the remaining three items there was significant change in one group and not the other. The complexity of this pattern suggests the highly differential nature of the components of neighborhood satisfaction. Bus service was less satisfying in the new neighborhoods for both groups. Proximity to friends and family and to healthcare was less satisfying to the displaced group over time, but not so for the voluntary group, and so on. Three of the four program effects for displaced respondents are actually negative, indicating that when change occurred on these items it generally was not for the better.

Multivariate analysis on all of these items suggests that when demographic differences are controlled, consistent and positive program effects for both treatment groups occur only

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Table 13. Neighborhood Satisfaction

	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
How satisfied are you with...	Displaced	Voluntary	a-b p value	Section 8	a-d p value	b-d p value	Public housing	a-g p value	b-g p value
bus service in the neighborhood?	75	64	—	86	***	***	77	*	—
schools in the neighborhood?	77	77	—	60	**	*	72	—	—
nearness to place of worship?	56	49	—	57	—	—	49	—	—
nearness to friends?	58	72	—	60	—	—	59	—	—
nearness to healthcare?	76	65	—	80	*	—	81	*	—
childcare in the neighborhood?	44	63	—	40	—	—	48	—	—
grocery stores in neighborhood?	86	84	—	69	***	**	62	***	***
parks and playgrounds in neighborhood?	76	88	—	70	—	*	66	*	*
<i>n</i>	195	50		199			173		

Note: Figures in cells are the percentage of respondents answering “somewhat satisfied” or “very satisfied.” Shaded cells indicate a negative program effect (i.e., a statistically significant relationship that is opposite of the direction posited by the program hypothesis).

* p < .05, ** p < .01, *** p < .001 based on Mann-Whitney U test.

Table 14. Neighborhood Satisfaction, Pre- and Post-Move

How satisfied are you with...	Displaced			Voluntary		
	Pre-move	Post-move	p	Pre-move	Post-move	p
bus service in neighborhood?	81	75	*	85	64	*
schools in neighborhood?	81	77	—	79	77	—
nearness to place of worship?	57	56	—	66	49	—
nearness to friends?	76	58	***	76	72	—
nearness to healthcare?	85	76	*	82	65	—
childcare in neighborhood?	47	44	—	62	63	—
grocery stores in neighborhood?	81	86	*	72	84	—
parks and playgrounds in neighborhood?	74	76	—	59	88	**

Note: Figures in cells are the percentage of respondents answering “somewhat satisfied” or “very satisfied.” Shaded cells indicate a negative program effect (i.e., a statistically significant relationship that is opposite of the direction posited by the program hypothesis).

* p < .05, ** p < .01, *** p < .001 based on Wilcoxin Signed Rank test.

for the grocery store and parks items (data not shown). The voluntary group experienced a negative program effect for satisfaction with bus service. The analysis also indicates method effects for satisfaction with bus service and proximity to place of worship. In both cases, the voluntary group registered less satisfaction than displaced families. These findings are consistent with the fact that voluntary group members are more geographically scattered than are the displaced households due to the restriction that they relocate to nonconcentrated neighborhoods. Taken together, these items indicate that neighborhood satisfaction is not a monolithic concept, especially as it relates to families recently relocated from very poor neighborhoods. Program participants saw significant improvements in some elements of their new neighborhoods, but also registered less satisfaction with other elements.

Neighborhood Problems

The program hypothesis suggests that families who move out of neighborhoods of concentrated poverty will report a significant reduction in a range of visible, problematic neighborhood conditions. Tables 15 and 16 reveal that this is the case for the *Hollman* families. Table 15 shows a pattern of consistent support for the program hypothesis. On all items and for all comparisons, the two treatment groups reported fewer neighborhood problems (graffiti, public drinking, drug use, and abandoned buildings) than did the control groups. For example, only 13% of the displaced group and 18% of the voluntary group reported that drug use is a problem in their neighborhoods, compared to 47% of the Section 8 group and 33% of the public housing respondents.

Furthermore, the data in Table 16 suggest that program effects occurred for both treatment groups. The pre- to post-move differences are large and significant for all items. For example, 39% of the displaced group rated graffiti a problem in their old neighborhoods, compared to just 9% in their new neighborhoods. The percentage of voluntary group respondents who rated graffiti as a problem dropped from 32% pre-move to just 4% after the move. The patterns shown for these items in Tables 15 and 16 represent the best-case scenario for deconcentration programs. That is, there are large and statistically significant differences between the treatment and control groups in their assessments of their current neighborhoods (see Table 15), and there are large pre- to post-move improvements for both

Table 15. Severity of Neighborhood Problems

	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
In your neighborhood, how much of a problem is...	Displaced	Voluntary	a-b p value	Section 8	a-d p value	b-d p value	Public housing	a-g p value	b-g p value
graffiti?	9	4	—	17	***	***	11	**	**
public drinking?	19	12	—	39	***	***	29	**	*
drug use?	13	18	—	47	***	***	33	***	**
abandoned buildings?	9	12	—	27	***	**	16	*	*
<i>n</i>	195	50		199			173		

Note: Figures in cells are the percentage of respondents answering “moderate problem” or “major problem.”

* p < .05, ** p < .01, *** p < .001 based on Mann-Whitney U test.

Table 16. Severity of Neighborhood Problems, Pre- and Post-Move

In your neighborhood, how much of a problem is...	Displaced			Voluntary		
	Pre-move	Post-move	p	Pre-move	Post-move	p
graffiti?	39	9	***	32	4	***
public drinking?	48	19	***	50	12	***
drug use?	44	13	***	51	18	***
abandoned buildings?	31	9	***	34	12	**

Note: Figures in cells are the percentage of respondents answering “moderate problem” or “major problem.”

* p < .05, ** p < .01, *** p < .001 based on Wilcoxin Signed Rank test.

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of the treatment groups (see Table 16). This pattern indicates consistently positive program effects and the absence of any method effects.

The multivariate analysis reproduces the pattern of uniform support for the program hypothesis. Controlling for the demographic differences between groups, the treatment group as a whole, and the two treatment subgroups separately, report significantly fewer of these neighborhood problems than did the control groups (data not shown). In addition, as in the bivariate analysis, there were no differences in the magnitude of pre- to post-move change across the two treatment groups.

Housing Satisfaction

In addition to questions about their neighborhoods, respondents were asked to evaluate their housing units. They were asked to evaluate satisfaction with their housing units generally, and with the size, cost, and quality/condition of their homes or apartments. The analysis shows weak to moderate support for the program hypothesis. Both treatment groups report higher housing satisfaction than both control groups (see Table 17). There seem to be no program effects related to the size of the unit and contradictory effects related to cost. Voluntary group members reported significantly higher satisfaction with housing cost than did the Section 8 control group, but the displaced group reported significantly less satisfaction with cost than did the public housing group. This latter finding can be explained by the fact that all of the displaced families came from public housing where their rents were limited to 30% of their incomes and utilities were included. After displacement, most families had moved out of public housing and had been faced with either a down payment or rent deposit and with paying for their utilities.

Another interesting pattern seen in Table 17 is the relatively low satisfaction of regular Section 8 households with the quality and condition of their units relative to all of the other groups, both treatment and control. The data here suggest that either these units do not compare favorably on quality and condition with public housing, replacement housing, and

Table 17. Housing Satisfaction

	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
How satisfied are you with...	Displaced	Voluntary	a-b p value	Section 8	a-d p value	b-d p value	Public housing	a-g p value	b-g p value
your home in general?	80	84	*	66	**	**	73	—	*
the size of your home?	80	78	—	74	—	—	8	—	—
the cost of your home?	75	86	*	70	—	*	87	***	—
the quality of your home?	78	84	—	60	***	***	77	—	—
<i>n</i>	195	50		199			173		

Note: Figures in cells are the percentage of respondents answering “somewhat satisfied” or “very satisfied.” Shaded cells indicate a negative program effect (i.e., a statistically significant relationship that is opposite of the direction posited by the program hypothesis).

* $p < .05$, ** $p < .01$, *** $p < .001$ based on Mann-Whitney U test.

even the housing to which displaced families relocate, or that Section 8 participants had higher expectations for the quality of their units that are not being met.

Table 17 shows evidence of a slight method effect for overall housing satisfaction and for cost of housing. In both cases, the voluntary group reported higher levels of satisfaction than did the displaced group. For example, although the percentage of those in both groups satisfied with their housing and with the cost of their housing is high (more than 75% in all cases), it is slightly higher among the voluntary group members. Table 18 shows even more evidence in support of the method hypothesis. Although both treatment groups show positive change in satisfaction with their homes in general and with the quality of their homes, the magnitude of the change is much greater for the voluntary group. In addition, the voluntary group shows significantly greater satisfaction with the size of their homes from pre- to post-move, while the displaced group shows no difference. Finally, the voluntary group is more satisfied with the cost of their housing post-move, while the displaced group is actually significantly less satisfied than they had been.

These findings are reinforced by the multivariate analysis. The treatment group as a whole is more satisfied than the control group in general housing satisfaction and in housing quality when all demographic variables are introduced. But variable effects are evident for the two treatment groups on housing cost and quality. The analysis shows greater pre- to post-move changes for the voluntary group on all four housing satisfaction measures (data not shown).

Safety

The questionnaire also elicited information on respondents’ sense of safety in their new neighborhoods. Table 19 presents some of the data on perceptions of safety. On three items there is evidence of strong program effects. *Hollman* families reported feeling safer in their current neighborhoods than did the comparison group members, they were more satisfied with the level of safety in their neighborhoods, and they reported that their children feel safer in their new neighborhoods. For example, 78% of the displaced group and 90% of the voluntary group reported feeling safe in their current neighborhood, compared to just 64% of the Section 8 group and 63% of the public housing group. There is also slight evidence of method effects, as the voluntary group members reported slightly higher perceptions of

Table 18. Housing Satisfaction, Pre- and Post-Move

How satisfied are you with...	Displaced			Voluntary		
	Pre-move	Post-move	p	Pre-move	Post-move	p
your home in general?	72	80	*	46	84	***
the size of your home?	77	80	—	64	78	*
the cost of your home?	88	75	***	62	86	**
the quality of your home?	72	78	*	48	84	***

Note: Figures in cells are the percentage of respondents answering “somewhat satisfied” or “very satisfied.” Shaded cells indicate a negative program effect (i.e., a statistically significant relationship that is opposite of the direction posited by the program hypothesis).

* p < .05, ** p < .01, *** p < .001 based on Wilcoxin Signed Rank test.

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safety than did the involuntary group members on two items. There are no differences across any of the groups on perceptions of how safe children feel at school (although the percentages are uniformly high across the groups).

The pre- to post-move comparison reinforces the notion that the move made by *Hollman* families resulted in a greater sense of safety (see Table 20). The voluntary group members reported greater sense of safety on three items compared to their previous place of residence. The percentage of voluntary group members who reported feeling safe in their neighborhoods rose from 54 to 90%, while the percentage who reported that their children feel safe in the neighborhood rose from 46 to 87% after the move. The involuntary group reported feeling safer and being more satisfied with the safety of their neighborhood, but no change occurred relative to the sense of safety among their children.

All of the multivariate tests reinforce the existence of program effects and the absence of method effects. Thus, the personal safety issues present close to a best-case scenario for the *Hollman* deconcentration effort. Even in these matters of safety, however, there seem to be some differences in the benefits realized by the voluntary and involuntary participants.

Table 19. Respondents' Perception of Safety

	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
	Displaced	Voluntary	a-b p value	Section 8	a-d p value	b-d p value	Public housing	a-g p value	b-g p value
Pct. who feel safe in current neighborhood	78	90	—	64	***	***	63	***	***
Pct. satisfied with safety of current neighborhood	74	88	*	57	***	***	57	***	***
Pct. reporting their children feel safe in current neighborhood	69	87	*	59	*	***	55	**	***
Pct. reporting their children feel safe in school	90	87	—	79	—	—	81	—	—
<i>n</i>	195	50		199			173		

* p < .05, ** p < .01, *** p < .001 based on Mann-Whitney U test.

Table 20. Perceptions of Safety, Pre- and Post-Move

	Displaced			Voluntary		
	Pre-move	Post-move	p	Pre-move	Post-move	p
Pct. who feel safe in current neighborhood	63	78	***	54	90	***
Pct. satisfied with safety of current neighborhood	59	74	**	44	88	***
Pct. reporting their children feel safe in current neighborhood	65	69	—	46	87	***
Pct. reporting their children feel safe in school	89	90	—	87	87	—

* p < .05, ** p < .01, *** p < .001 based on Wilcoxin Signed Rank test.

Victimization

Respondents were also asked whether they or their neighbors had been the victim of a crime in the previous six months. Table 21 presents the findings. Rows 1 through 3 indicate the percentage of respondents in each treatment or control group who reported having been a victim of the crime listed. Rows 4 and 5 show the percentage of respondents who reported that their neighbors have been the victim of the crime listed. The bottom two rows are summary indices. The first, labeled VICTIM, indicates the percentage of respondents who reported any of the crimes listed in rows 1 through 3. This variable is a measure of whether or not the respondent (or his or her children) was the direct victim of one of the crimes listed. The second summary variable, EXPOSURE, is a summary of rows 1 through 5, and thus measures whether the respondent was a direct victim or had a neighbor who was a direct victim.

The table shows no difference between the two treatment groups, and a sporadic tendency for the two treatment groups to report lower levels of victimization and exposure to crime than the Section 8 and the public housing comparison groups. This is especially evident when the two summary variables are examined. A total of 22% of the Section 8 group and 16% of the public housing group reported being the direct victims of one of the crimes listed, compared to only 8% of the involuntary group and 6% of the voluntary group. Similarly, 36% of the Section 8 group and 35% of the public housing group reported being exposed to the crimes listed either directly or through a neighbor, compared to only 16% of the involuntary group and 9% of the voluntary group. These data reinforce the perceptual data reported in Tables 19 and 20.

The pre- to post-move changes, shown in Table 22, indicate greater reduction in crime victimization and exposure among the involuntary group, although the voluntary group

Table 21. Exposure to Crime and Victimization

	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
In the past six months has/have...	Displaced	Voluntary	a-b p value	Section 8	a-d p value	b-d p value	Public housing	a-g p value	b-g p value
your home been broken into?	4	2	—	10	*	—	9	—	—
you been robbed or attacked?	1	0	—	4	—	—	2	—	—
your children been robbed or attacked?	3	4	—	10	*	—	5	—	—
your neighbor's home been broken into?	7	6	—	20	***	*	20	***	*
your neighbors been robbed or attacked?	5	0	—	6	—	—	10	—	—
VICTIM (1-3)	8	9	—	22	***	*	16	*	—
EXPOSURE (1-5)	16	6	—	36	***	**	35	***	**
<i>n</i>	195	50		199			173		

* $p < .05$, ** $p < .01$, *** $p < .001$ based on χ^2 .

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also shows improvement on some items. Interestingly, the only pre- to post-move improvements among the voluntary group members are related to their neighbors' victimization, not their own.

Employment

It has been argued that the deconcentration of the poor out of disadvantaged central-city neighborhoods has a positive impact on their ability to get jobs. This is thought to be directly related to the greater availability of jobs in less disadvantaged neighborhoods, but also indirectly related to social capital effects (see Briggs 1998; Wilson 1997). Data from the *Hollman* survey indicate that 36% of the displaced respondents were employed at the time of the interview, compared to 48% of the voluntary respondents, 45% of the Section 8 control group, and 39% of the public housing control group. None of the intergroup differences are statistically significant. Although just more than 15% of the treatment group members gained a job after moving, just less than 15% currently do not have a job but had one before moving. The large majority of treatment group members have seen no change in their employment status since moving.

Members of the displaced group were more likely than members of the voluntary group to have gained a job since moving (16% compared to 8%). A significantly lower percentage of displaced group members were employed at the time they moved compared to the voluntary group (32% to 64%). Of those currently unemployed, 79% of the displaced group have never had a job since moving, compared to just 58% of the voluntary group.

Members of the voluntary group reported a significantly higher mean wage level than did the displaced group (\$9.76 per hour compared to \$8.59 per hour). The displaced group's mean wage level is also significantly lower than that of the Section 8 control group (\$9.60 per hour), although not statistically different from the public housing group. There are no statistically significant differences between the voluntary group and either of the two control groups on wages.

There are no other program or method effects for any of the other measures of employment quality examined. The average hours worked per week, the commute (measured in the number of minutes it takes to get to work), and the prospects for moving up in the job do

Table 22. Exposure to Crime and Victimization, Pre- and Post-Move

	Displaced			Voluntary		
	Pre-move	Post-move	p	Pre-move	Post-move	p
Home has been broken into	13	4	**	14	2	—
Have been robbed or attacked	7	1	**	6	0	—
Children have been robbed or attacked	7	3	—	6	4	—
Neighbor's home has been broken into	27	7	***	32	6	**
Neighbors have been robbed or attacked	16	5	**	23	0	**
VICTIM (1-3)	20	8	**	17	6	—
EXPOSURE (1-5)	35	16	**	36	9	**

* p < .05, ** p < .01, *** p < .001 based on χ^2 .

not differ from one group to the next (data not shown). Nor are there differences across any of the groups in the likelihood of members to have more than one job, be a salaried employee, or have health benefits (data not shown).

Multivariate analysis on employment quality measures shows a consistent lack of program effects across all subgroup comparisons and for all items. In addition, a multivariate analysis of the likelihood of being employed at the time of the survey interview also shows no program effects. The treatment group as a whole, and the displaced and voluntary groups separately, were no more likely to be employed than the control groups and no more likely to have higher quality employment (as measured by hours worked, wage level, commuting time, and opportunity for moving up).

In sum, displaced group members were much less likely to have been employed at the time of relocation than members of the voluntary mobility group. They were, however, more likely to gain a job after their move. However, for those unemployed at the time of the interview, members of the displaced group were more likely to never have had a job since moving. The rate of employment post-move is not different across the treatment groups and is not different from the rates for the two control groups. Furthermore, there is no difference between the treatment and control groups on any of the measures of job quality. This lack of program effect, shown across all measures, is confirmed by the multivariate analysis.

SUMMARY

On the whole, the findings presented here are mixed concerning the impacts of both voluntary and forced mobility. Several patterns emerge from the preceding analysis. First, there is only a sporadic pattern of support for the program hypothesis that participants in the deconcentration effort (either voluntary or involuntary) will report improvements in their living conditions and will report better conditions than a control group of similarly situated but not dispersed public housing residents.

Second, program effects tend to be the largest and most consistent on the issues related to personal safety and neighborhood incivility. That is, when asked about their own sense of safety and the safety of their children, both the displaced and the voluntary group members reported significant improvements in their post-move neighborhoods relative to their own pre-move residence and relative to the control groups. This pattern was repeated for items related to the existence of “street problems” such as public drinking, drug use, and graffiti. What deconcentration has unequivocally done for families is to allow them to feel more at ease about these issues. These findings are consistent with others reported for the Moving to Opportunity (MTO) program (HUD 1999) and among households deconcentrated in Yonkers (Briggs 1998).

Third, there is little support for the program hypothesis in two areas where it could have been expected: neighborhood satisfaction and employment experience. Neighborhood satisfaction was seen to be highly variable, with program respondents reacting favorably to some

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aspects of their new communities and unfavorably to others. For the majority of items, however, there was simply no effect either way. Research on MTO and *Gautreaux* has also shown that dispersed families register lower levels of satisfaction with some public services such as transportation and access to healthcare after making a move to their new neighborhoods. Yet previous research indicates much greater *overall* satisfaction with the new neighborhoods among dispersed families. The survey instrument used to collect data in the Minneapolis case, however, did not include an overall question about neighborhood satisfaction. Instead of requesting a summary judgment of the neighborhood, we asked about a number of specific elements related to neighborhood environments. The findings in Minneapolis reinforce the conclusion that neighborhood satisfaction is a multidimensional concept, parts of which may be enhanced by dispersal and other parts that may be damaged by it.

Similarly, there were no employment effects resulting from the moves that families made. The Twin Cities economy during the period of the interviews was extremely strong, yet the deconcentrating moves that these families made did not translate into a significant improvement in labor force participation or in the quality of jobs held. For the involuntarily displaced, most of whom did not move out of the central city, relocation did not, perhaps, put them in any greater proximity to areas of job growth in the region. But the data also show that the voluntary group members, most of whom relocated to suburban areas, also did not seem to reap any employment benefits from the move.

Fourth, the lack of program effects for some items is not necessarily a failing. With respect to measures of social isolation, it is perhaps too much to expect, as the program hypothesis suggests, that dispersed families will actually increase their neighboring behaviors. In fact, if these families can make the transition to their new neighborhoods and not report significantly less social interaction, then this constitutes good news for the program. As argued earlier, the social capital arguments for deconcentration of poverty require some level of social interaction between the program families and their new neighbors. When controlling for individual differences across groups, there were essentially no program or method effects detected. Thus, the summary judgment must be that the program did not reduce or increase social interaction among participants.

Fifth, there was fairly consistent support across a number of items for the method hypothesis that families forced into deconcentration would report fewer benefits from their moves. This pattern emerged for items related to the social interaction of children and several items regarding neighborhood and housing satisfaction. In these areas, the voluntarily mobile report a happier scenario than do the displaced households. This is, of course, the area of concern for which there is no real precedent in the literature. This analysis represents the first direct comparison of voluntary and involuntary means of deconcentration and suggests that there is a difference on many items.

CONCLUSION

The findings reported here indicate somewhat less widespread support for the program hypothesis than that reported for MTO, *Gautreaux*, or other mobility programs operating elsewhere. There are several potential explanations for this. First, these results are based on the short-term experiences of the families studied. Most of the families dispersed as a result of the *Hollman* decree have lived in their new neighborhoods for less than two years. This may account for the lack of program effect in some areas. Employment provides a good example. It is unlikely that the only barrier to employment faced by *Hollman* families is spatial mismatch. Merely relocating to areas where jobs may be more plentiful may not be enough to generate substantial increases in rates of employment. Even if this were so, the majority of those displaced by the demolition of units did not, in fact, move out to suburban locations. Most relocatees stayed within a three-mile radius of their old addresses. If more indirect neighborhood effects (such as role model effects, greater access to employment and training, or benefits from different social networks) are to generate greater levels of employment, these will take more time to work.

Nevertheless, at the time of the interview, many treatment group members had been in their new apartments for several years. We incorporated length of residence as a control variable in our multivariate analysis, and the data did not indicate that it had an effect on the degree of social interaction or on employment efforts.

Second, most previous studies are of voluntary mobility or scattered-site programs in which families choose to participate. The very fact of participation for the families examined in other studies suggests selection bias. These families are either more motivated, less dysfunctional, or more dissatisfied with their previous living conditions than are nonparticipants. Inclusion of involuntary participants is bound to reduce the level and scope of program effects. Although this explanation may account for fewer overall program effects, it does not explain the fact that even among voluntary participants program effects are more sporadic than what is reported in other studies.

Third, the *Hollman* deconcentration includes a sizable immigrant population that is not typical of other dispersal efforts. The large Southeast Asian population in Minneapolis public housing was strongly critical of demolition and relocation. For the most part, they did not want to move, and their post-move experiences have been less positive than those of others. Like the previous explanation, however, this one does not account for the more sporadic effects experienced by voluntary participants.

It could be that the neighborhood conditions experienced by those in Minneapolis were not as bad prior to deconcentration as those experienced by subsidized families in other cities. Although one might argue that the extent of central city neighborhood problems is not as severe in Minneapolis as it is in Chicago, Baltimore, and other cities in which mobility studies have occurred, the data presented in Table 1 suggest that program participants

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did experience significant improvements in objective neighborhood conditions (as revealed by census data) after moving.

What is probably most meaningful in the Minneapolis case is the distinction between voluntary and involuntary means of deconcentration. On one hand, it could be argued that the *Hollman* case provides a rigorous test for the method hypothesis. This is because the conditions from which the displaced families came—the two census tracts that make up the 73-acre site where the public housing was torn down—were extreme in comparison to the rest of the city. Even the worst of the other neighborhoods in Minneapolis and St. Paul did not come close to the concentrations of poverty and disadvantage that characterized the original project site for displaced families. Thus, even though they were less likely to go to suburban areas and even though they relocated to areas with greater disadvantages than did the voluntary group, displaced families did experience significant improvements in neighborhood conditions across the board. By this argument, the fact that any method effects showed up at all suggests a significant problem for policy makers.

On the other hand, the displacement of families from the project site in 1998 and 1999 was accompanied by a prolonged political fight, and it took place in the midst of an affordable housing crisis in the region. The notoriety of the case may have heightened families' awareness and resentment of their plight and could have led to either a more critical evaluation of their new environments or a more romantic assessment of their previous residences. Furthermore, the *Hollman* case involved the displacement of a large population of recent Southeast Asian immigrants, more than half of whom did not wish to leave their north side homes. The multivariate analysis demonstrated in many cases that in this population, and among older families, relocation was a less beneficial experience. In this scenario, then, there is some surprise that there were not more method effects revealed by the analysis.

On balance, the evidence from the *Hollman* case in Minneapolis highlights the strengths and weaknesses of poverty deconcentration strategies. Families can be moved to "better" neighborhoods, and they can come to feel at ease about some aspects of those neighborhoods. But the experiences of these families are not universally positive. This is especially the case for families whose moves are forced by the demolition or conversion of their previous homes. The method effects demonstrated in this analysis suggest that mobility programs are best kept voluntary. This, of course, has direct implications for the continued vouchering out of older subsidized projects as well as for the HOPE VI program, both of which incorporate involuntary deconcentration. The limits of involuntary deconcentration are twofold. First, many families may not wish to move out and will experience post-move problems because of that. Second, displaced families tend not to move to neighborhoods as far away (in both social and spatial terms) as their original neighborhoods. In the Minneapolis case, half of the displaced households moved to other neighborhoods of concentrated poverty, and a high percentage moved to neighborhoods that were becoming poorer and more minority over time.

The Minneapolis case also provides some evidence for the difficulties of implementing voluntary programs. In Minneapolis, more than four years after the signing of the consent decree in *Hollman v. Cisneros*, less than 50 replacement units had been built (out of a required 770)—this, in a region with a metropolitan governance body and a history of regional cooperation. Political resistance to scattered-site subsidized housing makes the replacement housing strategy difficult (see *Report No. 8: Replacement Housing*), and as slow as it has been in Minneapolis, studies suggest it is even slower elsewhere (Popkin et al. 2000).

In addition, fewer than 50 mobility certificates had been successfully leased up (out of more than 700 made available) during the first five years of the program. The use of mobility vouchers in the *Hollman* case has been hampered by market conditions. An extremely tight housing market has rendered the mobility voucher as useful as “confederate money” in the words of one local housing advocate (“Lucille’s Kitchen Cooks *Hollman*” 1999).

U.S. housing policy has been firmly committed to deconcentrating poverty during the past 10 years. The demolition and decommissioning of large concentrations of public and publicly subsidized housing might be justified by the improvements produced in those communities. It could be the case that reducing those concentrations of poverty leads to the reintroduction of private capital investment in those communities. Coupled with renewed public sector attention, these neighborhoods might become revitalized and problems of crime, delinquency, and joblessness might be reduced. Whether this is, in fact, the case is a matter for other studies (and is the subject of ongoing HUD evaluations of the HOPE VI program). The evidence presented here on the *Hollman* case in Minneapolis suggests that the other justification for such action, the contention that the displaced and relocated families will experience benefits from the process, is problematic.

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HOLLMAN v. CISNEROS

Deconcentrating Poverty in Minneapolis

**Report No. 7:
Mobility Certificates**

by Edward G. Goetz

Center for Urban and Regional Affairs
University of Minnesota



UNIVERSITY OF MINNESOTA

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INTRODUCTION

The consent decree in *Hollman v. Cisneros*, signed in 1995, committed the Minneapolis Public Housing Authority, the U.S. Department of Housing and Urban Development, and their co-defendants to a series of dramatic policy changes. First, four north side public housing projects and dozens of scattered-site public housing units would be reviewed for possible demolition or disposition. Second, the defendants would create up to 770 units of replacement public housing in nonimpacted areas of the city and suburbs. Third, the displaced residents of the demolished scattered-site and north side public housing were to be relocated with public assistance. Fourth, the 73-acre north side site was to be redeveloped. Fifth, hundreds of tenant-based housing subsidies would be made available to Minneapolis public housing residents to enable them to move out of areas of race and poverty concentration. Sixth, changes in the operation of the Minneapolis Section 8 program would occur to make it easier for participants to exercise geographic choice. Finally, an affordable housing clearinghouse would be created to provide low-income families a centralized source of information about housing options in the metropolitan area.

The Center for Urban and Regional Affairs (CURA) at the University of Minnesota was contracted by the Family Housing Fund of Minneapolis–St. Paul and by the State of Minnesota in 1998 to conduct an evaluation of the implementation of the consent decree. This is the seventh in a series of eight reports generated by the consent decree.

This report examines the implementation of the Special Mobility Program (SMP). Although more than seven hundred Section 8 vouchers and certificates were available each year between 1996 and 2002 to members of the plaintiff class to help them move out of neighborhoods of concentrated poverty and minority status, to date fewer than one hundred of these subsidies have been used. This report considers some of the obstacles to successful implementation of the program, including a lack of demand, a tight housing market that made the subsidies difficult to use, and problems in marketing the program.

THE SPECIAL MOBILITY PROGRAM

The U.S. Department of Housing and Urban Development (HUD) offered 900 Section 8 tenant-based certificates and vouchers (600 certificates and 300 vouchers) for use in a Special Mobility Program (SMP) for members of the plaintiff class in *Hollman v. Cisneros*. Some portion of the 900 certificates was to be used by families being relocated from the demolished public housing on the north side. The rest of the certificates were to be used by members of the plaintiff class only in nonimpacted neighborhoods in the Twin Cities region. As the consent decree states:

Mobility certificates are provided for the express purpose of enabling public housing residents living in public housing in areas of minority and poverty concentration to move to nonconcentrated areas. (U.S. District Court in *Hollman v. Cisneros* 1995, paragraph 63)

In this report, we examine the implementation of the SMP and describe the neighborhoods to which families moved.

HOW THE PROGRAM WORKS

The subsidy used in the SMP is the Section 8 voucher (and before 1999 the Section 8 certificate). A voucher or certificate makes up the difference between 30% of a family's income and the contract rent for a housing unit. The use of certificates is limited to apartments that rent at or below the region's fair market rent (FMR), a level established by HUD that is set at the 40th percentile of prevailing rents for units of similar size (i.e., the number of bedrooms). A family using a voucher could use it for a unit above the FMR, but the family would be responsible for paying the portion of the rent above the HUD-established limit. This makes the typical voucher more costly for a family (necessitating their paying more than 30% of their income for rent), but also makes it easier to use because it increases the number of potential apartments accessible to the family. Families are given a set period of time after they are admitted to the Section 8 program during which they must lease an apartment. Prior to 1999, families were allowed up to 120 days to search for an apartment. If a family did not successfully lease an apartment during that time, the certificate or voucher was given to another family to use.

In late 1999, Congress reformed the Section 8 program by combining certificates and vouchers into a single program called the Section 8 Housing Choice Voucher Program. The new voucher program retains most of the rules of the old programs; units leased by program

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participants must meet HUD's Housing Quality Standards and the rents charged cannot exceed rents for comparable units in the region. The amount of the subsidy resembles the old voucher program in that a payment standard is set (at the 40th percentile for rents in the area) and a family pays only 30% of its income for rents up to that payment standard. Families may lease units that exceed the payment standard if they agree to pay the difference out-of-pocket. If the cost to the tenant exceeds 40% of the household's income, however, the unit is not eligible for the program. Local housing authorities have the discretion to set the payment standard anywhere from 90% to 110% of the area's FMR depending on local conditions (such as vacancy rates). Under the new voucher program, the local housing authority also has the discretion to lengthen the amount of time families have to lease a unit, extending it beyond 120 days if it chooses.

The Minneapolis Special Mobility Program began in 1995 with 600 certificates and 300 vouchers. Except in those areas for which the consent decree offered specific direction (described below), SMP operated under the Section 8 program rules that were in place at the time; that is, before 1999, the old program rules were followed, and since the end of 1999, units have been leased under the rules of the new Housing Choice Voucher Program.

The Special Mobility Program created by the consent decree establishes several program requirements that exceed or amend those in the basic Section 8 program. First, there is a priority list for program eligibility. The highest priority for special mobility certificates goes to 10 of the named plaintiffs in the lawsuit. After these plaintiffs, the Minneapolis Public Housing Authority (MPHA) must offer the new certificates first to residents of MPHA projects in minority- or poverty-concentrated areas of the city. After this list is exhausted, the consent decree directs the MPHA to offer the certificates to those on the waiting list for public housing, giving priority to those who live in areas of minority or poverty concentration. The definition of "concentration" is the same as for all other elements of the consent decree (see Figure 1). Second, SMP vouchers can only be used in non-concentrated parts of the Twin Cities metropolitan area. Third, SMP participants must be given access to mobility counseling services to assist them in finding and leasing units in nonconcentrated areas. Fourth, SMP participants must be given at least 180 days after receiving housing counseling to enter into a lease agreement for a rental unit in a nonconcentrated area.¹

IMPLEMENTATION

The *Hollman* consent decree states that some of the named plaintiffs in the lawsuit receive top priority for SMP vouchers. After these plaintiffs, priority goes to other residents of Minneapolis public housing living in neighborhoods of minority or poverty concentration

¹ The *Hollman v. Cisneros* consent decree (U.S. District Court 1995) states, "In the event a certificate holder has not received an offer of housing in a nonconcentrated area facilitated by the housing counseling service the certificate may be retained by the holder until such an offer has been received" (paragraph 63).

Type of area of concentration	Definition
Minority-concentrated area (metro-wide)	Census tracts with 28.7% or more minority population
Poverty-concentrated area (in Minneapolis and St. Paul)	Census tracts with 33.5% or more of the population in poverty
Poverty-concentrated area (in suburbs)	Census tracts with 12.2% or more of the population in poverty

Figure 1. Definitions of Minority and Poverty Concentration

as defined in the decree. Finally, SMP vouchers are to be offered to persons on the Minneapolis public housing waiting list. The MPHA informed members of these priority groups of the availability of special mobility vouchers through the mail. The first people to get a mailed notice (after the named plaintiffs) in 1996 were residents of public housing in concentrated areas who had lived in public housing the longest (since before 1985). Later a notice was sent to public housing residents in concentrated neighborhoods who had lived in public housing since before 1992. By 1998, the mailing was expanded to include all families in public housing in concentrated neighborhoods.

In addition, as it became clear that demand for the program was low, MPHA sent notices to people on its own waiting list. Unfortunately, the waiting list had been developed in 1996 and a large number of names and addresses were no longer valid. The attempt to contact people on this list resulted in a large percentage of notices being returned as undeliverable. Some of the replacement housing providers faced this same problem when they tried to contact people about the new housing being built in suburban areas (see *Report No. 8: Replacement Housing*). In February 2000, MPHA updated its waiting list. Shortly thereafter, 704 additional people from that waiting list were notified of the availability of SMP vouchers.

Tight Rental Market

Implementation of the Special Mobility Program was hindered by the very tight housing-market conditions that prevailed in the Twin Cities between 1996 and 2001. Vacancy rates began falling in 1996 and reached 1.9% in the fourth quarter of 1997 (Buchta and Gendler 1998). Vacancies fell even further the next year, bottoming out at 1.3% (Buchta 1998) and leveling out at 1.5% for much of 1998 and 1999 (OLA 2001). Lower vacancy rates meant greater competition among renters for available units. With many applicants from whom to choose, landlords had the opportunity to avoid Section 8 applicants if they did not want to submit to unit inspections or the paperwork involved with the program. At the same time, escalating rents in the region resulted in fewer units qualifying for the subsidy. One annual study of the rental market in suburban Hennepin County, for example, documented a small and dwindling percentage of units that rented at or below the Section 8 fair market rent limits and for which landlords accepted Section 8 applicants. In 1995, 27% of rental units

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surveyed in suburban Hennepin County qualified for and accepted Section 8. By 2001, the figure had fallen to just 12% (HOME Line 2001).

Most of the public housing agencies in the region were having difficulty with their Section 8 programs at that time. The Metropolitan Council, for example, reported that in 1998 only one out of every seven certificates it issued to families eventually got used to lease a housing unit. This means that six out of every seven households given a Section 8 certificate by the Met Council were unable to find an apartment that qualified or a landlord who was willing to rent to them. The success rate for vouchers was somewhat better, but was still only one in four. A year later the figures were not any better. Utilization rates² for agencies across the region were well below capacity. A HUD study in 1999 indicated that the “successful leasing level [in the Twin Cities] is perhaps the lowest in the nation, except for the Bay area of San Francisco, California” (Bast 1999). There was an indication, too, that the problem was more than the lack of units or low FMRs. The Met Council reported that 60% of its waiting list was minority but only 40% percent of those leasing a unit were minority, showing a lower success rate by members of minority groups.

The MPHA and the *Hollman* Implementation Group (a group of officials from local housing authorities at the state, county, and municipal levels that met to assist with the implementation of the consent decree; see *Report No. 8: Replacement Housing*) attempted to get HUD to increase the area’s FMRs as a way of increasing lease-up rates in the region. In addition, prior to program changes implemented by Congress in 1999, the group began to investigate the possibility of converting Section 8 certificates into Section 8 vouchers to take advantage of the higher lease-up rates among voucher holders.

Despite these efforts, HUD declined to increase the FMR in 1998 and again in 2000. Generally FMRs are based on surveys of recent movers in the area in question. The Minneapolis FMRs, however, were based on a rent survey that included Wisconsin, Illinois, Indiana, Ohio, Michigan, and Minnesota. Rents were not rising as fast in these other states during this period as they were in the Minneapolis metropolitan area, thus FMRs remained low for the market in Minneapolis at the time and the Section 8 program remained very difficult to operate.

Counseling

The counseling provided to SMP participants has been in place since 1996 when MPHA contracted with the Sumner Olson Residents Council (SORC) to assist mobility participants, as well as families displaced from the Sumner Field Townhome and Olson Townhome projects. The bulk of SORC’s activities in 1996 and 1997, however, were

² Utilization rates differ from lease-up rates. Utilization rates refer to the percentage of all Section 8 subsidies administered by an agency that are being used at a given point in time. Lease-up rates are the percentage of families who have been given new (or newly available) Section 8 subsidies and who are able to successfully lease a unit using the subsidy. Utilization rates are typically much higher than lease-up rates because they take into account the vast majority of subsidies that are already in use. It is therefore possible—and indeed quite likely—for a high utilization rate to be accompanied by a relatively low lease-up rate.

directed toward the displaced families. In 1998, MPHA switched counseling providers and contracted with W. D. Schock, a private relocation firm that also worked with families displaced from the Glenwood and Lyndale projects. The following year, Schock provided counseling services to families in the Special Mobility Program. In 1999, MPHA entered into a second mobility counseling contract, this one with Lao Family Community, a non-profit agency specializing in the affairs of Southeast Asian immigrants.

Both Schock and Lao Family Community had trouble placing families in housing, as had SORC before them. In particular, according to an MPHA official, the agencies were expending a lot of money on application fees only to have families denied housing because of their rent histories. In 2000, with the approval of the lead attorneys for the plaintiffs, MPHA revised the eligibility criteria for SMPs to limit participation to families that had no more than three unlawful detainers (UD) and no criminal record. Another problem faced by families interested in SMP (as well as families interested in replacement housing), according to MPHA officials, is poor credit records.

Minneapolis Public Housing Authority officials admit that it has taken some time for them to determine the precise model for mobility counseling that is best for SMP participants. The counseling contract with SORC was not renewed after some displaced families complained about their treatment during the relocation from the Sumner and Olson projects. Schock and Lao Family Community assumed control of the counseling and continued to administer a program that, according to MPHA officials, placed significant demands on SMP applicants. Applicants were asked to provide information regarding their eligibility, and were asked to meet with counselors and answer questions about their preferences. As one MPHA official said about the counseling practice, “the ‘carrot’ of the new unit wasn’t offered to the applicant until they were fairly far into the process.” In early 2002, MPHA revised its counseling program in a way that they feel puts more emphasis on locating units and leasing them quickly. It remains to be seen whether this new model will result in a faster lease-up rate.

Program Demand

From the very beginning of the program, the demand has been lower than many expected. Currently MPHA manages 3,611 units of public housing in concentrated areas (see *Report No. 4: Changes to the Public Housing Stock in Minneapolis*). These families were notified of the program as early as 1996. In addition, 700 families are on the agency’s current waiting list and have also been notified of the program. The previous waiting list contained a roughly similar number of names, although a large portion of these families had moved and could not be contacted by the time MPHA attempted to notify them of the availability of SMP vouchers. Thus, we estimate that MPHA directly contacted between 4,300 and 5,000 families about the Special Mobility Program. During a five-year period, however, only 285 families (roughly 6%) were interested enough to contact the mobility counseling agencies and

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engage in the process to the extent that the agency opened a file to document the families' progress through the program.

There are several possible explanations for this outcome. First, it is possible that the majority of families in the priority groups are satisfied with their current housing situation. This is more likely to be true of those in the public housing priority group than it is of those on the waiting list. Families add their names to the waiting list, after all, because they are dissatisfied with their current housing conditions. A second possible reason for deflated demand for SMP vouchers is that MPHA's outdated mailing list may have made it difficult to contact those who really wanted to use or could have benefited from the program. A third possible explanation is that the tight housing market may have discouraged those with acceptable housing from taking the risk of moving during a time when competition for units was very high. Regardless of the reason, the figures suggest there was relatively little demand for the SMP vouchers in Minneapolis during this time period.

Program Performance

During the six years of the program, SMP has resulted in unexpectedly low levels of activity. As of March 2002, only 80 families have successfully leased a unit through the program. Most of that activity has occurred since mid-2000, and it has accelerated each quarter since then (see Figure 2). In fact, more SMP families leased housing during 2001 than in the first five years of the program combined. This increase in the lease-up rate has coincided with a loosening of the rental housing market in the Twin Cities area more generally. In fact, the Section 8 program in general has been easier to implement since early 2001. The overall

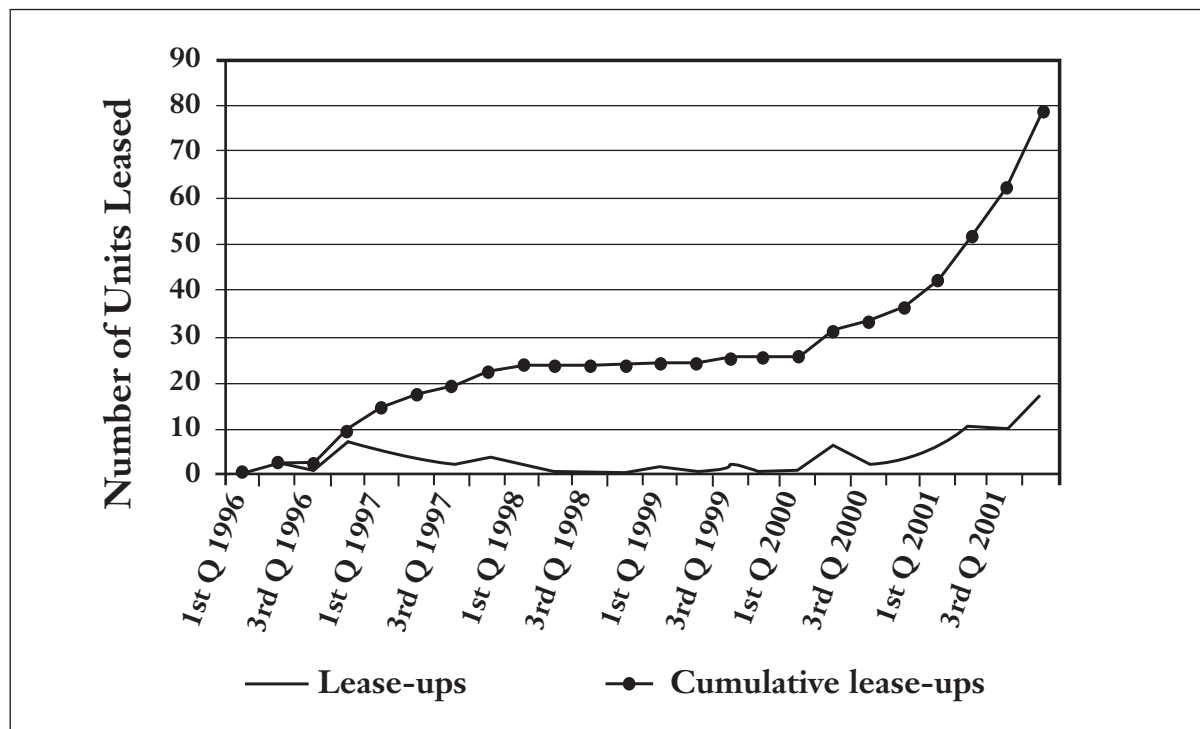


Figure 2. Special Mobility Program Lease-Up Rates by Quarter, 1996–2001

utilization rate for MPHA's regular Section 8 program increased from 86% to more than 100%. This spike in the lease-up rate also occurred after MPHA updated its waiting list in 2000. Both of these factors undoubtedly have made it easier for the agency and the counseling groups to identify interested families and assist them throughout the process of searching for and leasing rental properties in the region.

Because the utilization rate for SMP vouchers was so low between 1997 and 2000, members of the *Hollman* Implementation Group explored the possibility of getting HUD to shift some of the unused Section 8 budget authority into development funds to assist the lagging replacement housing initiative (see *Report No. 8: Replacement Housing*). Typically HUD recaptured the unused budget authority it had set aside for these subsidies; millions of dollars in unspent subsidies were being returned to HUD each year as a result. In February 2001, HUD approved the proposal and \$28.5 million became available for development funds. This conversion of unspent funds does not threaten the continuation of the SMP because additional funds are authorized for the program each year.

“Absorption” of Vouchers

When a family executes a lease for a unit outside of Minneapolis (a case of “porting out”), the MPHA must notify the housing authority in the other municipality in order to schedule an inspection of the property and arrange for preparation of the lease agreement. The receiving community's housing authority can choose to administer the voucher and bill MPHA for it, or it can choose to “absorb” the voucher and count it against its own stock. In times when demand outstrips the supply of vouchers, there is no incentive for the receiving community to absorb a voucher that has been ported in. On the other hand, when the housing market is extremely tight and housing authorities are experiencing low lease-up and utilization rates, there is an incentive for receiving communities to absorb the voucher (pay for it out of their own unused stock of vouchers) in order to increase their own utilization rates. According to MPHA officials, this practice has occurred with the SMP vouchers, although the frequency of absorption is not known. The rate of absorption would not affect the lease-up rates just reported. This is because the data presented above were collected by housing counseling agencies and would predate absorption if it had occurred. In the end, absorption means that more of the SMP vouchers are available to other families.

PROGRAM OUTCOMES

Data

Participation in SMP is defined as expressing an interest in the program and making an attempt to lease a unit using a special mobility certificate. When families enter the program and utilize mobility counseling services, an information file is created for them. Counselors record their location preferences and a series of demographic characteristics. These files, which represent all of the program participants through March 2002, provided the basis for

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the following analysis. In addition to the mobility counseling database, we have added census data to reflect the neighborhood characteristics of the families' original neighborhood (the one in which they lived when they entered the program) and their destination neighborhood (the one to which they moved as a result of the program). In the analyses to follow, these are also called the *pre-move* and *post-move* neighborhoods.

Program Participation

Table 1 shows the demographic breakdown of SMP participants. African Americans made up 73.3% of SMP participants through March 2002. Southeast Asian families constituted 14.7% of participants, while American Indians and Whites each made up 5% of the participants.

Eighty percent of SMP participants were single-parent households. The average age of heads of households is 37 and the average household size is 3.76. Forty percent (39.5%) of the program participants were employed at the time they entered the program, and 44.1% had an automobile. The average monthly income of participant households was \$1,090 at the time they entered the program.

Location Preferences

Mobility counselors recorded up to three preferred destinations for each SMP family. The preferences were sometimes as detailed as specific neighborhoods (usually within the two central cities) or specific communities in the suburbs. Other times, preferences were identified as “northeast Minneapolis” or “southwest suburbs” or sometimes even simply “the suburbs.” For the purposes of the following analysis, we recoded the location preferences into the categories shown in the first column of Table 2. In order to examine the question of whether different types of families preferred different destinations, we looked at location preferences across several different categories of households. Thus, Table 2 shows the overall preferences of program participants, as well as preferences broken down by employment status and monthly

Table 1. Demographic Information for Special Mobility Program Participants

Demographic characteristic	Total
Race/ethnicity	
African American	165 (73.3)
American Indian	12 (5.3)
Hispanic	2 (.9)
Southeast Asian	33 (14.7)
White	11 (4.9)
Other	2 (.9)
Single-parent household	183 (80.6)
Average age of head of household	37.09
Average household size	3.76
1-2 person households	71 (31.3)
3-4 person households	96 (42.3)
5 or more person households	60 (26.4)
Average number of children under age 18	2.45
1 or 2 children	115 (56.9)
3 or 4 children	60 (29.7)
5 or more children	27 (13.4)
Employed	85 (39.5)
Automobile	90 (44.1)
Average monthly income	\$1,090
Less than \$750/mo.	66 (32.0)
\$750 to \$1,500/mo.	92 (44.7)
More than \$1,500/mo.	48 (23.3)
<i>n</i>	285

Note: Figures in parentheses are column percentages for each category.

Table 2. Location Preference of Special Mobility Program Participants by Income and Employment Status

Preferred location	Total	Employment Status		Monthly Income		
		Employed	Not employed	Less than \$750/mo.	\$750 to \$1500/mo.	More than \$1500/mo.
Minneapolis	143 (50)	49 (41.5)	89 (55.6)	44 (53.0)	60 (49.2)	27 (50.0)
St. Paul	5 (1.7)	2 (1.7)	2 (1.3)	1 (1.2)	3 (2.5)	1 (1.9)
Northern inner ring	45 (15.7)	22 (18.6)	22 (13.8)	9 (10.8)	21 (17.2)	8 (14.8)
Western inner ring	14 (4.9)	4 (3.4)	9 (5.6)	7 (8.4)	5 (4.1)	1 (1.9)
Southern suburbs	49 (17.1)	28 (23.7)	21 (13.1)	12 (14.5)	22 (18.0)	13 (24.1)
Developing suburbs	12 (4.2)	6 (5.1)	6 (3.8)	5 (6.0)	3 (2.5)	2 (3.7)
St. Paul suburbs	11 (3.8)	6 (5.1)	5 (3.1)	4 (4.8)	4 (3.3)	1 (1.9)
Unspecified suburbs	5 (1.7)	—	5 (3.1)	1 (1.2)	2 (1.6)	1 (1.9)
Out of metro area	2 (0.7)	1 (0.8)	1 (0.6)	—	2 (1.6)	—
Total	286	118	160	83	122	54

Note: Figures in parentheses are column percentages.

income. These data reflect the location preferences of all program participants, whether they successfully leased a unit or not.

Because each family could express up to three location preferences, the number of responses listed in the table exceeds the number of SMP participants. The percentages shown in the table are based on the total number of responses. The most prevalent preference among SMP participants was to relocate within the city of Minneapolis; 50% of the stated preferences were for Minneapolis. The second most common preference was for one of the southern suburbs of Minneapolis, including Richfield, Bloomington, and Edina. These areas accounted for 17.1% of the preferences stated by program participants. The northern inner-ring suburbs of Brooklyn Park, Brooklyn Center, New Hope, Columbia Heights, and Robbinsdale accounted for 15.7% of participants' preferences. A smaller percentage of preferences were for western inner-ring suburbs, suburbs of St. Paul in the east metro area, and developing suburbs beyond the inner ring.

Employed participants were more likely to prefer a destination outside of Minneapolis, most notably in the southern suburbs (only 41.5% of the stated preferences of employed participants were for Minneapolis compared to 55.6% of the preferences of unemployed participants). There were very few differences across income categories, although the highest income participants (those with incomes above \$1500 per month) were more likely than lower income participants to prefer a destination in the southern suburbs.

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Table 3 repeats the analysis shown in Table 2, but combines the preferred locations into just three categories: a location in the central city, in the inner-ring suburbs, or outside the inner ring (including outside the metropolitan area). With fewer categories, the patterns of preference are sometimes easier to see. Employed participants were less likely than others to prefer a central-city destination and more likely to prefer a move to a developing suburban area (unspecified preferences for “the suburbs” were coded as missing for this analysis). The highest income group was somewhat more likely to prefer a location outside of the inner ring of suburbs compared to lower income groups.

Table 3. Preferred Location (by Ring) of Special Mobility Program Participants by Income and Employment Status

Preferred location	Total	Employment Status		Monthly Income		
		Employed	Not employed	Less than \$750/mo.	\$750 to \$1500/mo.	More than \$1500/mo.
Central city	148 (52.7)	51 (43.2)	91 (58.7)	45 (54.9)	63 (52.5)	28 (52.8)
Inner-ring suburbs	70 (24.9)	32 (27.1)	36 (23.2)	20 (24.4)	30 (25.0)	10 (18.9)
Outside the inner ring	63 (22.4)	35 (29.7)	28 (18.1)	17 (20.7)	27 (22.5)	15 (28.3)
Total	281	118	155	82	120	53

Note: Figures in parentheses are column percentages.

Table 4. Location Preference by Selected Household Characteristics

Preferred location	Race/ethnicity				Single Parent		Household Size		
	White	Black	SE Asian	Other	Yes	No	Small (1 or 2)	Medium (3 or 4)	Large (5+)
Minneapolis	7 (41.2)	97 (48)	26 (56.5)	11 (57.9)	120 (53.1)	23 (38.3)	48 (49.5)	58 (50.0)	37 (50.7)
St. Paul	—	1 (0.5)	2 (4.3)	2 (10.5)	5 (2.2)	—	2 (2.1)	1 (0.9)	2 (2.7)
Northern inner ring	2 (11.8)	32 (15.8)	9 (19.6)	2 (10.5)	27 (11.9)	18 (30.0)	19 (19.6)	17 (14.7)	9 (12.3)
Western inner ring	—	14 (6.9)	—	—	12 (5.3)	2 (3.3)	7 (7.2)	5 (4.3)	2 (2.7)
Southwest suburbs	4 (23.5)	38 (18.8)	5 (10.9)	2 (10.5)	37 (16.4)	12 (20.0)	13 (13.4)	22 (19.0)	14 (19.2)
Developing suburbs	1 (5.9)	11 (5.4)	—	—	11 (4.9)	1 (1.7)	2 (2.1)	6 (5.2)	4 (5.5)
St. Paul suburbs	3 (17.6)	5 (2.5)	3 (6.5)	—	8 (3.5)	3 (5.0)	3 (3.1)	5 (4.3)	3 (4.1)
Unspecified suburbs	—	3 (1.5)	1 (2.2)	1 (5.3)	5 (2.2)	—	1 (1.0)	2 (1.7)	2 (2.7)
Out of metro area	—	1 (0.5)	—	1 (5.3)	1 (0.4)	1 (1.7)	2 (2.1)	—	—
Total	17	202	46	19	226	60	97	116	73

Note: Figures in parentheses are column percentages.

Table 4 presents the data on location preferences of households broken down by race/ethnicity, single-parent status, and household size. There are some clear distinctions in location preference by ethnic group. Southeast Asian, American Indian, and Hispanic/Latino participants were more likely than others to prefer to live in Minneapolis; Whites were more likely than other groups to want to move to the southern suburbs and to the suburbs of St. Paul. Single parents were more likely to prefer a Minneapolis destination than were nonsingle parents. There were only small differences in location preferences across household size categories.

More than 60% of the preferences stated by Southeast Asian families and more than 70% of the preferences of American Indians and Hispanics/Latinos were for central-city locations (Table 5). This compares to less than one-half of the preferences of White and Black participants. Single parents prefer the central city compared to other families (56.6% to 38.3% of preferences, respectively). Although there are only very small differences in the preference for a central-city location among households of different sizes, smaller households are somewhat less likely than larger ones to have stated a preference for locations outside the inner-ring suburbs.

Program Success

Program success is defined as leasing a unit using an SMP certificate. The columns in Table 6 distinguish between families who were able to successfully lease a unit and those who tried but were unable. Overall, the program has a 28.1% lease-up rate as of March 2002. This means that just more than one in four families that have gone through the counseling process have been able to successfully utilize the subsidy.

The data show that one-third of African American participants were able to lease units in the program, slightly more than the program-wide lease-up rate of 28.1%. Southeast Asian immigrants, however, had a greater than 50% lease-up rate, far higher than all other groups in the program.

Table 5. Preferred Location (by Ring) of Special Mobility Program Participants by Selected Household Characteristics

Preferred location	Race/ethnicity				Single Parent		Household Size		
	White	Black	SE Asian	Other	Yes	No	Small (1 or 2)	Medium (3 or 4)	Large (5+)
Central city	7 (41.2)	98 (49.2)	28 (62.2)	13 (72.2)	125 (56.6)	23 (38.3)	50 (52.1)	59 (51.8)	39 (54.9)
Inner-ring suburbs	5 (29.4)	51 (25.6)	12 (26.7)	2 (11.1)	47 (21.3)	23 (38.3)	29 (30.2)	27 (23.7)	14 (19.7)
Outside the inner ring	5 (29.4)	50 (25.1)	5 (11.1)	3 (16.7)	49 (22.2)	14 (23.3)	17 (17.7)	28 (24.6)	18 (25.4)
Total	17	199	45	18	221	60	96	114	71

Note: Figures in parentheses are column percentages.

Table 6. Success of Special Mobility Program by Household Characteristics

	Participants who successfully leased a unit (n = 80, 28.1%)	Participants who did not successfully lease a unit (n = 205, 71.9%)
Race/ethnicity (n = 225)		
African American	55 (33.3)	110 (66.7)
American Indian	3 (25.0)	9 (75.0)
Hispanic	0 (0)	2 (100)
Southeast Asian	18 (54.5)	15 (45.5)
White	3 (27.3)	8 (72.7)
Other	0 (0)	2 (100)
Single-parent household (n = 227)	71 (38.8)	112 (61.2)
Average age of head of household (n = 275)	36.7	37.3
Average household size (n = 227)	4.08	3.59
1–2 person households	18 (25.4)	53 (74.6)
3–4 person households	37 (38.5)	59 (61.5)
5 or more person households	25 (41.7)	35 (58.3)
Average number of children under age 18 (n = 227)	2.81	2.26
0 children	5 (20.0)	20 (80.0)
1 or 2 children	41 (35.7)	74 (64.3)
3 or 4 children	22 (36.7)	38 (63.3)
5 or more children	12 (44.4)	15 (55.6)
Employed (n = 215)	23 (27.1)	62 (72.9)
Automobile (n = 204)	31 (34.4)	59 (65.6)
Average monthly income (n = 206)	\$1,038	\$1,112
Less than \$750/mo.	27 (40.9)	39 (59.1)
\$750 to \$1,500/mo.	34 (37.0)	58 (63.0)
More than \$1,500/mo.	17 (35.4)	31 (64.6)

Note: Figures in parentheses are row percentages.

Close to 40% of single-parent households successfully leased a unit, a rate that also exceeds the program rate. Interestingly, larger households had higher lease-up rates than smaller ones; more than 40% of large households succeeded, compared to only 25% of the smallest households. The average household size for families who successfully leased an apartment is 4.08, compared to 3.59 for unsuccessful families.

Having a job or a higher income seems not to be associated with program success. Only 27% of families that were employed leased units, essentially matching the overall program rate. Successful lease-up rates differed insignificantly across income levels. Having an automobile increased the chances of success in the program only slightly; 34.4% of automobile owners successfully leased units.

Destination preferences of participants also may have had an impact on program success. Families that desired suburban locations may have been less likely to eventually lease a unit because of greater difficulties finding suitable units in those areas. In fact, the data seem to indicate that this is not the case. Tables 7 and 8 examine that issue.

Table 7. Success of Special Mobility Program by Location Preference

Preferred location	Participants who successfully leased a unit	Participants who did not successfully lease a unit
Minneapolis	49 (34.3)	94 (65.7)
St. Paul	3 (60)	2 (40)
Northern inner ring	11 (26.7)	33 (73.3)
Western inner ring	7 (50.0)	7 (50.0)
Southern suburbs	16 (32.7)	33 (67.3)
Developing suburbs	8 (66.7)	4 (33.3)
St. Paul suburbs	0 (0)	11 (100)
Unspecified suburbs	0 (0)	5 (100)
Outside of metro area	0 (0)	2 (100)
Total	49 (33.6)	97 (66.4)

Note: Figures in parentheses are row percentages.

Table 8. Success of Special Mobility Program by Location Preference (by Ring)

Preferred location	Participants who successfully leased a unit	Participants who did not successfully lease a unit
Central city	51 (34.5)	97 (65.5)
Inner-ring suburbs	19 (27.1)	51 (72.9)
Outside the inner ring	24 (38.1)	39 (61.9)
Total	49 (34.3)	94 (65.7)

Note: Figures in parentheses are row percentages.

Those who stated a preference for Minneapolis were no more likely to successfully lease a unit than program participants as a whole. But participants who preferred St. Paul, the western inner-ring suburbs of Minneapolis, or developing suburbs throughout the metropolitan area did have higher lease-up rates than other groups. The groups that are over-represented among those failing to lease a unit in the program are those that stated a preference for the inner-ring suburbs to the north of Minneapolis, those who listed an east metro destination, those who had an unspecified suburban preference, and those who listed destinations outside the metropolitan area. When the destinations are aggregated (Table 8), there is little difference across preference areas.

Location Outcomes

At this stage of the analysis, we narrow our examination to those families that successfully leased a unit as a result of the program. Table 9 shows that 54.4% of SMP participants leased a unit in Minneapolis, and another 5.1% moved to St. Paul. Fourteen percent moved to the northern inner-ring suburbs of Minneapolis, one family (1.3%) moved to the western suburbs, and 10.3% moved to suburbs immediately south and west of Minneapolis. The table also breaks down the destination of families by various resource characteristics. Somewhat paradoxically, families in which the head of household was unemployed were slightly more likely to remain in Minneapolis, but so were families with the highest monthly income.

Table 9. Location Outcome for Special Mobility Program Participants by Income and Employment Status

Destination location	Total	Auto Ownership		Employment Status		Monthly Income		
		Car	No car	Employed	Not employed	Less than \$750	\$750 to \$1500	\$1500 or more
Minneapolis	43 (54.4)	15 (50.0)	24 (58.5)	10 (43.5)	30 (60.0)	11 (42.3)	18 (52.9)	13 (76.5)
St. Paul	4 (5.1)	1 (3.3)	1 (2.4)	2 (8.7)	1 (2)	1 (4)	3 (8.6)	—
Northern inner ring	11 (14.1)	6 (20.0)	4 (9.8)	2 (8.7)	7 (14.3)	4 (16)	5 (14.3)	2 (11.8)
Western inner ring	1 (1.3)	1 (3.3)	—	—	1 (2)	1 (4)	—	—
Southwest suburbs	8 (10.3)	2 (6.7)	6 (14.6)	4 (17.4)	4 (8.2)	4 (16)	4 (11.4)	—
Developing suburbs	10 (12.8)	4 (13.3)	6 (14.6)	5 (21.7)	5 (10.2)	4 (16)	4 (11.4)	2 (11.8)
St. Paul suburbs	1 (1.3)	1 (3.3)	—	—	1 (2)	1 (4)	—	—
Total	79	30	41	23	50	26	34	17

Note: Figures in parentheses are column percentages.

Table 10. Location Outcome (by Ring) for Special Mobility Program Participants by Income and Employment Status

Destination location	Total	Auto Ownership		Employment Status		Monthly Income		
		Car	No car	Employed	Not employed	Less than \$750	\$750 to \$1500	\$1500 or more
Central city	46 (58.2)	16 (53.3)	25 (61.0)	11 (47.8)	31 (62.0)	12 (46.2)	20 (58.8)	13 (76.5)
Inner-ring suburbs	17 (21.5)	8 (26.7)	7 (17.1)	3 (13.0)	12 (24.0)	8 (30.8)	7 (20.6)	2 (11.8)
Outside the inner ring	16 (20.3)	6 (20.0)	9 (22.0)	9 (39.1)	7 (14.0)	6 (23.1)	7 (20.6)	2 (11.8)
Total	79	30	41	23	50	26	34	17

Note: Figures in parentheses are column percentages.

These patterns also emerge in the data presented in Table 10. Unemployed families were more likely to remain in the central cities (62% to 47.8% for families with a head of household who was employed), and higher income families were more likely to remain in the central cities compared to the lowest income category (76.5% to 46.2%).

The data also indicate that African American participants were the least likely to move to a neighborhood in Minneapolis (46.3%, compared to more than two-thirds of participants of other races/ethnicities; see Table 11). Small households (1 or 2 people) and single-parent households were also less likely to move within Minneapolis compared to other SMP participants.

When destinations are aggregated, the data show clear patterns by race/ethnicity (Table 12). Almost 90% of Southeast Asian participants remained in the central cities, compared to less than half of the African American families and two-thirds of Whites, Hispanics/Latinos,

Table 11. Location Outcome for Special Mobility Program Participants by Selected Household Characteristics

Destination location	Race/ethnicity				Single Parent		Household Size		
	White	Black	SE Asian	Other	Yes	No	Small (1 or 2)	Medium (3 or 4)	Large (5+)
Minneapolis	2 (66.7)	25 (46.3)	13 (72.2)	2 (66.7)	37 (52.9)	6 (66.7)	6 (33.3)	19 (51.4)	18 (75)
St. Paul	—	—	3 (16.7)	—	3 (4.3)	—	1 (5.6)	1 (2.7)	1 (3.8)
Northern inner ring	—	9 (16.7)	2 (11.1)	1 (33.3)	10 (14.3)	2 (22.2)	8 (44.4)	2 (5.4)	2 (8.3)
Western inner ring	—	1 (1.9)	—	—	1 (1.4)	—	—	1 (2.7)	—
Southwest suburbs	1 (33.3)	7 (13.0)	—	—	7 (10.0)	1 (11.1)	2 (11.1)	5 (15.3)	1 (4)
Developing suburbs	—	11 (20.4)	—	—	11 (15.7)	—	1 (5.6)	8 (21.6)	2 (8.3)
St. Paul suburbs	—	1 (1.9)	—	—	1 (1.4)	—	—	1 (2.7)	—
Total	3	54	18	3	70	9	18	37	24

Note: Figures in parentheses are column percentages.

Table 12. Location Outcome (by Ring) for Special Mobility Program Participants by Selected Household Characteristics

Destination location	Race/ethnicity				Single Parent		Household Size		
	White	Black	SE Asian	Other	Yes	No	Small (1 or 2)	Medium (3 or 4)	Large (5+)
Central city	2 (66.7)	25 (46.3)	16 (88.9)	2 (66.7)	40 (57.1)	6 (66.7)	7 (38.9)	20 (54.1)	19 (79.2)
Inner-ring suburbs	1 (33.3)	13 (24.1)	2 (11.1)	1 (33.3)	14 (20.0)	3 (33.3)	9 (50.0)	6 (16.2)	2 (8.3)
Outside the inner ring	—	16 (29.6)	—	—	16 (22.9)	—	2 (11.1)	11 (29.7)	3 (12.5)
Total	3	54	18	3	70	9	18	37	25

Note: Figures in parentheses are column percentages.

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and American Indians. African American families were the only ones to locate to suburbs outside of the inner ring. The same holds true for single-parent households; all 16 families that moved beyond the inner ring were headed by a single parent. A total of 8% of large families remained in the central cities (there is significant overlap between large families and Southeast Asian families), compared to less than 40% of small families.

Preference Matching

Of the successful participants for whom a preferred destination was recorded by the mobility counselor, 59.2% were able to locate and lease units in their preferred communities. This figure reflects the difficulties of a housing search in a market as tight as the Twin Cities market was during much of the study period. Even with the assistance of mobility counselors, more than one of every three families who were successful in the program were unable to find a unit in the community they preferred. Certain household types, however, were more successful in matching their location preferences than others. Southeast Asian families, for example, moved to the community they wanted to 90.9% of the time. Larger

Table 13. Location Preference Matching for Special Mobility Program Participants by Household Characteristics

	Participants who matched their location preference (n = 29, 59.2%)	Participants who did not match their location preference (n = 20, 40.8%)
Race/ethnicity		
African American	16 (50)	16 (50)
American Indian	1 (50)	1 (50)
Hispanic	0 (0)	0 (0)
Southeast Asian	10 (90.9)	1 (9.1)
White	1 (33.3)	2 (66.7)
Other	0 (0)	0 (0)
Single-parent households	25 (56.8)	19 (43.2)
Average age of head of household	40.9	37.6
Average household size	4.69	3.50
1–2 person households	4 (50)	4 (50)
3–4 person households	14 (56)	11 (44)
5 or more person households	11 (68.8)	5 (31.3)
Average number of children under age 18	3.34	2.35
0 children	3 (75)	1 (25)
1 or 2 children	11 (45.8)	13 (54.2)
3 or 4 children	9 (75)	3 (25)
5 or more children	6 (66.7)	3 (33.3)
Employed	6 (40)	9 (60)
Automobile	10 (62.5)	6 (37.5)
Average monthly income	\$1,098	\$988
Less than \$1,000/mo.	7 (41.2)	10 (58.8)
\$1,000 to \$2,000/mo.	14 (70)	6 (30)
More than \$2,000/mo.	7 (63.6)	4 (36.4)

Note: Figures in parentheses are row percentages.

families also matched their preferences more frequently than smaller families (68.8% to 50%). Having an automobile did not increase the chances of ending up in the preferred community, nor did being employed. In fact, only 40% of employed families met their location preference, while 60% did not (see Table 13).

It is possible that a family's ability to meet its location preferences had less to do with the characteristics of the family and more to do with what its preferences were. In fact, there is some evidence that this might be the case. Families that stated a preference for a central-city location (Minneapolis or St. Paul) were slightly more likely to meet their preference than families who stated a preference for the suburbs (65% to 51%).

The Destination Neighborhoods

Figures 3 and 4 show the location of pre-move (original) neighborhoods and post-move (destination) neighborhoods, respectively, for SMP families. As the data in Table 9 indicated, most families (54.4%) moved to a neighborhood within Minneapolis. Another 25% of the participants moved to suburbs immediately surrounding Minneapolis, typically to the north or south. Only a few SMP families moved across the river to St. Paul or to east metro suburbs.

The neighborhoods to which SMP families moved showed consistently lower levels of strain than the communities from which the participants came. Table 14 compares the origin and destination neighborhoods for all SMP families who successfully leased a unit and moved. At the time of this writing, the complete data for the 2000 U.S. Census have not been released, so the tables that follow use data from the 1990 U.S. Census. Although the absolute levels of some of these neighborhood characteristics will have changed over the decade from 1990 to 2000, we are most interested here in a comparison across neighborhoods. Thus, the 1990 census data allow an examination of the proposition that SMP families were indeed able to use the program to move to neighborhoods with quite different characteristics compared to the ones from which they came.

The data in Table 14 indicate that this is exactly what happened. The first column of data in the table is the profile of participants' pre-move neighborhoods. The second column is the profile of the neighborhoods to which they moved. The last column shows the profile for the entire Twin Cities metropolitan area and is presented as a reference point. So, for example, SMP applicants on average moved from neighborhoods in which 53.2% of the residents were White to neighborhoods in which Whites made up 86.1% of residents. The average SMP participant used to live in a neighborhood in which 44.1% of the residents were very low income, 23.6% were on public assistance, 56.9% of the children lived below the poverty level, and 39% of the entire population was poor. After moving, the average SMP family lived in a neighborhood in which only 22.3% of the residents were very low income, only 8.5% were on public assistance, and only 18.7% of the children and 12.1% of the population lived below the poverty level. These are sizable changes that show a significant reduction in the poverty of the neighborhoods of program participants. The median

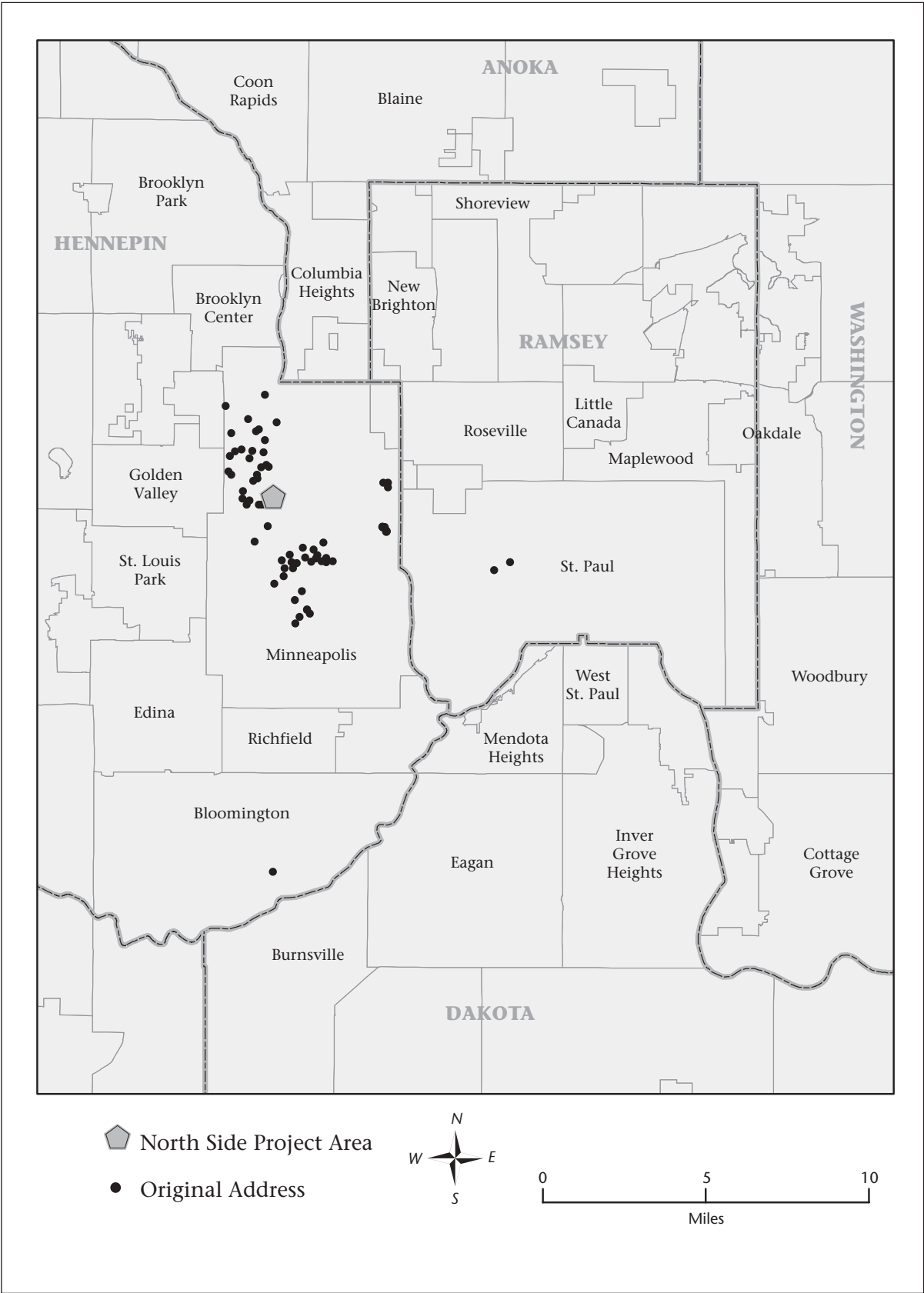


Figure 3. Pre-Move Addresses of Special Mobility Program Participants

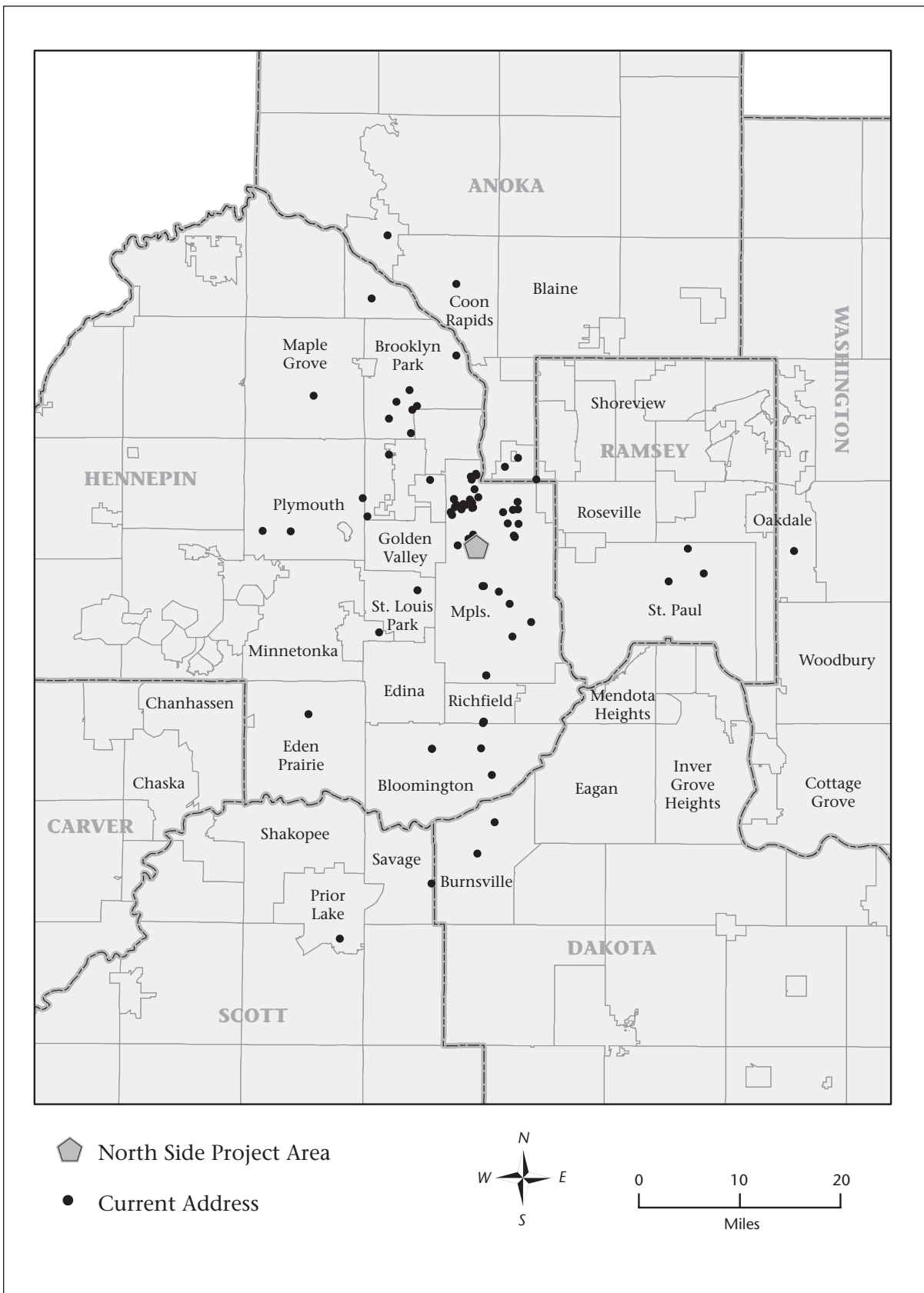


Figure 4. Post-Move Addresses of Special Mobility Program Participants

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Table 14. Neighborhood Profile of Special Mobility Program Participants, Pre- and Post-Move (*n* = 73)

Neighborhood characteristic	Pre-move neighborhood	Post-move neighborhood	Sig.	Metropolitan area
Pct. White	53.2	86.1	***	92.1
Pct. Black	27.9	8.0	***	3.6
Pct. with college degree	28.2	28.4	—	27.1
Pct. very low income [†]	44.1	22.3	***	16.6
Median household income	\$18,206	\$30,611	***	\$36,565
Pct. receiving public assistance	23.6	8.5	***	5.5
Pct. children in poverty	56.9	18.7	***	11.2
Pct. population in poverty	39.0	12.1	***	8.1
Pct. female-headed households	16.5	8.1	***	14.4
Pct. of labor force employed	68.1	76.3	***	74.3
Pct. homeowners	31.5	62.3	***	68.7
Pct. housing units built before 1939	50.8	32.6	***	20.5
Pct. housing units with 3+ bedrooms	31.0	44.7	***	54.0
Pct. very low rent [‡]	23.8	10.2	***	13.8
Pct. low-value homes [§]	73.1	57.7	**	39.0
Median home value	\$70,885	\$75,408	—	\$87,400

Source: 1990 U.S. Census

Note: Test for statistical significance applies to pre- and post-move neighborhoods where * *p* < .05, ** *p* < .01, and *** *p* < .001.

[†] Indicates income less than \$15,000 per year.

[‡] Indicates rents below \$300 per month.

[§] Indicates home values below \$75,000.

household income of participants’ neighborhoods increased from \$18,206 to \$30,611. The percentage of neighbors who are homeowners doubled from 31.5% to 62.3%. The only two items for which there was not a sizable and statistically significant change was in the percentage of the population with a college degree (28% for both origin and destination neighborhoods) and median home value (in the low to mid-\$70,000 range in both origin and destination neighborhoods).

The data seem to indicate that program participants moved to neighborhoods with fewer economic challenges (fewer residents unemployed, on public assistance, in poverty, or in single-parent households). The program also has moved families from neighborhoods with a fair amount of racial diversity into more segregated (largely White) neighborhoods.

Tables 15 and 16 show the profiles of the destination neighborhoods broken down by the characteristics of the SMP participants. For example, at the top of Table 15, the data show that White families in SMP moved to neighborhoods that were, on average, 89.8% White. By comparison, African American participants moved to neighborhoods that averaged 88.0% White, Southeast Asian families moved to neighborhoods in which 78.8% of the neighbors were White, and families in the “Other” race/ethnicity category (Hispanics/Latinos and American Indians) moved to neighborhoods that averaged 85.7% White residents. That these boxes are not shaded indicates that the test for statistical significance suggests these

Table 15. Post-Move Neighborhood Profile for Special Mobility Program Participants by Selected Household Characteristics

Neighborhood profile	Race/ethnicity				Single Parent		Household Size		
	White	Black	SE Asian	Other	Yes	No	Small (1 or 2)	Medium (3 or 4)	Large (5+)
Pct. White residents	89.8	88.0	78.8	85.7	86.2	83.0	86.6	87.7	82.5
Pct. Black residents	3.0	6.5	13.7	8.4	7.7	10.7	8.1	6.4	10.7
Pct. with college degree	26.4	31.4	22.2	24.5	28.3	29.5	31.6	31.2	22.2
Pct. very low income [†]	32.5	20.8	25.1	20.1	22.1	25.0	20.1	23.0	23.4
Median household income	\$24,018	\$32,029	\$27,074	\$32,023	\$30,868	\$27,468	\$33,262	\$30,826	\$27,959
Pct. receiving public assistance	9.4	7.7	10.7	9.3	8.5	9.0	8.6	8.1	9.2
Pct. children in poverty	17.9	17.6	22.3	17.0	18.7	20.9	17.3	19.2	19.9
Pct. population in poverty	15.5	11.3	14.4	9.9	12.0	13.9	11.3	12.4	12.8
Pct. female-headed households	5.2	7.5	10.8	6.6	8.3	6.9	8.0	7.0	9.9
Pct. of labor force employed	74.8	77.6	73.3	76.0	76.3	76.1	79.3	76.2	74.3
Pct. homeowners	50.4	59.9	68.7	75.6	62.4	58.4	57.6	59.2	69.1
Pct. housing units built before 1939	22.9	24.7	56.3	44.4	32.2	40.0	17.9	31.1	46.8
Pct. housing units with 3+ bedrooms	36.3	44.1	46.7	53.0	44.9	41.4	45.8	43.0	45.8
Pct. very low rent [‡]	23.0	7.9	12.9	16.2	9.8	13.1	8.0	11.0	10.6
Pct. low-value homes [§]	58.4	47.5	85.8	71.3	57.6	61.9	39.3	52.9	78.9
Median home value	\$71,900	\$81,394	\$59,178	\$67,933	\$75,597	\$71,867	\$84,906	\$79,057	\$62,558
<i>n</i>	2	52	18	3	67	9	17	35	24

Note: Shaded areas indicate statistically significant difference in means ($p < .05$).

[†] Indicates income less than \$15,000 per year.

[‡] Indicates rents below \$300 per month.

[§] Indicates home values below \$75,000.

differences are too small to be reliable. Only the shaded boxes indicate a statistically significant difference across categories. Southeast Asian families, for example, moved to neighborhoods that had more pre-1939 housing and more low-value homes than did White and Black participants. African American families, on average, moved to neighborhoods with fewer

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very low rent units compared to the other racial/ethnic groups. For virtually all other neighborhood characteristics, there were no differences among SMP participants of different races/ethnicities. Because of the large overlap between race/ethnicity and household size (the Southeast Asian families tending to be larger), the same patterns of statistical significance shown for ethnicity show up for household size as well. Table 15 also indicates that single-parent status was not related to any significant differences in the profile of destination neighborhoods.

Table 16 repeats the analysis for the resource characteristics of SMP participants. Here the data show no statistically significant difference in neighborhood profile across any of the categories examined. In terms of the statistical profile of the destination neighborhoods, families who were employed moved to roughly the same profile neighborhoods as those who were unemployed. Those with a car moved to the same profile neighborhoods as those without a car. Finally, SMP households with different monthly incomes moved to similar profile neighborhoods.

Table 16. Post-Move Neighborhood Profile for Special Mobility Program Participants by Employment and Income Status

Neighborhood profile	Auto Ownership		Employment Status		Monthly Income		
	Car	No car	Employed	Not employed	Less than \$750	\$750 to \$1500	\$1500 or more
Pct. White residents	88.2	84.3	88.6	85.0	86.8	84.8	86.0
Pct. Black residents	6.4	9.4	5.5	9.1	7.2	9.3	7.4
Pct. with college degree	26.6	29.9	29.8	28.2	30.3	27.4	26.8
Pct. very low income [†]	20.9	23.2	20.7	22.8	21.7	21.1	27.1
Median household income	\$31,146	\$30,501	\$31,997	\$30,236	\$32,191	\$30,052	\$27,830
Pct. receiving public assistance	7.5	9.4	6.9	9.1	9.1	7.9	9.4
Pct. children in poverty	16.5	20.3	16.3	19.5	18.1	18.0	23.0
Pct. population in poverty	11.1	12.8	10.7	12.6	12.3	11.2	14.8
Pct. female-headed households	7.5	8.3	7.2	8.4	7.5	8.7	7.9
Pct. of labor force employed	76.4	76.2	76.0	76.3	77.5	76.8	73.2
Pct. homeowners	67.2	60.0	63.7	62.0	62.8	62.6	59.1
Pct. housing units built before 1939	32.9	32.9	28.3	33.9	25.9	33.0	43.0
Pct. housing units with 3+ bedrooms	49.3	41.7	45.8	44.3	48.1	44.0	39.5
Pct. very low rent [‡]	11.2	10.3	8.9	10.6	11.7	8.6	11.4
Pct. low-value homes [§]	58.0	57.8	49.8	61.3	50.7	59.3	66.4
Median home value	\$73,062	\$77,508	\$79,481	\$73,869	\$78,804	\$72,697	\$70,718
<i>n</i>	29	39	21	49	24	33	17

[†] Indicates income less than \$15,000 per year.

[‡] Indicates rents below \$300 per month.

[§] Indicates home values below \$75,000.

Table 17. Post-Move Neighborhood Profile for Special Mobility Program Participants by Community Type

Neighborhood profile	Community Type		
	Central city	Inner-ring suburb	Developing suburb
Pct. White residents	80.8	91.6	95.1
Pct. Black residents	11.7	4.2	1.4
Pct. with college degree	23.7	31.4	40.2
Pct. very low income [†]	28.4	18.1	8.5
Median household income	\$26,031	\$33,170	\$41,436
Pct. receiving public assistance	11.1	6.6	2.9
Pct. children in poverty	24.5	16.1	4.8
Pct. population in poverty	16.0	9.3	3.9
Pct. female-headed households	9.0	8.2	5.2
Pct. of labor force employed	71.9	79.7	86.3
Pct. homeowners	61.1	58.5	69.1
Pct. housing units built before 1939	53.5	5.2	1.6
Pct. housing units with 3+ bedrooms	41.6	44.6	53.8
Pct. very low rent [‡]	13.8	5.7	4.0
Pct. low-value homes [§]	79.5	33.6	19.0
Median home value	\$64,053	\$83,582	\$100,607
<i>n</i>	45	17	14

Note: All of the differences in means in this table achieve statistical significance ($p < .05$) except the figures for the category female-headed households.

[†] Indicates income less than \$15,000 per year.

[‡] Indicates rents below \$300 per month.

[§] Indicates home values below \$75,000.

Although the characteristics of the SMP family did not have much of an impact on the statistical profile of the destination neighborhood, where that neighborhood was located within the region had a large effect (see Table 17). Families who moved to suburban locations moved to neighborhoods that were significantly different than those who moved within the central cities. The suburban neighborhoods had more White residents, more college-educated residents, fewer low-income households, fewer children or other people in poverty, higher median incomes, fewer people receiving public assistance, and so on across every statistical category examined (except the percentage of households headed by a female).

CONCLUSION

On one hand, the Special Mobility Program has proven to be a very difficult program to implement. Originally designed to serve up to 900 families, the program has actually assisted less than 100 during a six-year period. Demand for the program was quite low from the beginning. Ultimately, MPHA outreach efforts resulted in fewer than 300 participants from a pool that included between 4,300 and 5,000 households. The reasons for this low demand are unclear. This evaluation did not look at the methods by which MPHA marketed the program, but it is possible that a more aggressive marketing strategy might have produced

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more demand. An out-of-date waiting list impeded the recruitment of families to the program for several years until 2000, when a new list was created by the agency. It is also possible that the architects of the program simply overestimated the degree to which MPHA families living in neighborhoods that are—by the standards of the consent decree—poverty- and race-concentrated wanted to move. This may be related to the quality of the housing they enjoy in Minneapolis public housing, or it may be related to the general improvement in neighborhood conditions experienced in many Minneapolis neighborhoods during this time.

The MPHA has struggled to create a package of mobility counseling that is effective in attracting families to the program and making the program work for those families once they are enrolled. The agency is currently embarking on a slightly different model that it hopes will increase program success in the future.

Equally clear from the SMP experience is that even among those who were interested in the program and interested in moving to nonconcentrated neighborhoods, the program was difficult to implement. The success rate among participant families was 28.1%. This lease-up rate means that about three out of every four families who tried to use an SMP voucher could not make it work; that is, they either could not find a housing unit that qualified, could not find a qualified house in a nonconcentrated neighborhood, or could not find a landlord who would accept the Section 8 subsidy. This lease-up rate is relatively low compared to the Section 8 program in general and to HUD's national mobility program, Moving to Opportunity (HUD 1999).

Looking only at the families who succeeded in leasing a unit through the program, little more than half actually moved to a community that they had indicated was one of their preferences. In fact, only 59% of the successful participants were able to meet their locational preference. This means that among all 285 program applicants, only 16% (i.e., 59% of the 28% who successfully leased a unit) were able to move to a community they had originally picked out as a preferred place to live.

On the other hand, the SMP lease-up rate exceeded that of the well-known and highly regarded *Gautreaux* mobility program in Chicago. Furthermore, a recent national study showed declining lease-up rates for Section 8 across the country during the past five years, with the biggest declines occurring in tight housing markets such as the Twin Cities (Finkel and Buron 2001). A tight housing market with vacancy rates below 2% and strong competition between renters is not conducive to a successful mobility program that relies upon tenant-based subsidies, as the SMP does. When vacancy rates relaxed in 2001, and after MPHA updated its waiting list, the lease-up rate jumped upward. More program successes occurred in 2001 than in the five years that preceded it. Thus, there is some reason to expect that had conditions been different, the program would have had somewhat wider appeal and been somewhat more successful.

Leaving aside the scope of the program, the deconcentration impacts of SMP for the families involved is somewhat easier to assess. The data show that SMP families did succeed

in relocating to neighborhoods with reduced levels of poverty. Their new neighborhoods had lower levels of poverty overall, fewer people on public assistance, higher median incomes, and more employment among the residents. By these measures, SMP families did improve their neighborhoods. Those who moved to the suburbs improved their neighborhoods the most. However, most families did not move to the suburbs. In fact, the degree of geographic dispersion was not as remarkable as the degree of poverty deconcentration. More than half of the families who moved stayed in the central cities of Minneapolis and St. Paul.

Thus, the first five years of the *Hollman* Special Mobility Program has produced somewhat mixed outcomes. The program has proven to be of limited scope, not attracting a large number of interested applicants, and has succeeded in relocating only 28% of those who are interested in moving. For those who volunteer for the program and who are able to make it work, however, the program does just what it advertises: it has moved families into neighborhoods with considerably less poverty and fewer minorities. When it works, it works well. The challenge for the future is in making it work more often.

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HOLLMAN v. CISNEROS

Deconcentrating Poverty in Minneapolis

**Report No. 8:
Replacement Housing**

by Edward G. Goetz

Center for Urban and Regional Affairs
University of Minnesota



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INTRODUCTION

The consent decree in *Hollman v. Cisneros*, signed in 1995, committed the Minneapolis Public Housing Authority, the U.S. Department of Housing and Urban Development, and their co-defendants to a series of dramatic policy changes. First, four north side public housing projects and dozens of scattered-site public housing units would be reviewed for possible demolition or disposition. Second, the defendants would create up to 770 units of replacement public housing in nonimpacted areas of the city and suburbs. Third, the displaced residents of the demolished scattered-site and north side public housing were to be relocated with public assistance. Fourth, the 73-acre north side site was to be redeveloped. Fifth, hundreds of tenant-based housing subsidies would be made available to Minneapolis public housing residents to enable them to move out of areas of race and poverty concentration. Sixth, changes in the operation of the Minneapolis Section 8 program would occur to make it easier for participants to exercise geographic choice. Finally, an affordable housing clearinghouse would be created to provide low-income families a centralized source of information about housing options in the metropolitan area.

The Center for Urban and Regional Affairs (CURA) at the University of Minnesota was contracted by the Family Housing Fund of Minneapolis–St. Paul and by the State of Minnesota in 1998 to conduct an evaluation of the implementation of the consent decree. This is the eighth in a series of eight reports generated by the consent decree.

This report examines the effort to produce *Hollman* replacement housing in the Twin Cities metropolitan area through April 2002. The Minneapolis Public Housing Authority (MPHA) faced a number of technical and political obstacles in attempting to develop public housing units throughout the region. Each of these obstacles was overcome and as of April 2002, MPHA had development commitments in place for all 770 units of replacement housing. This report also presents the findings of a survey of neighborhood residents in five communities receiving replacement housing. The survey data provide a baseline summary of neighborhood conditions against which the impact of the replacement units may be assessed in the future.

REPLACEMENT HOUSING

BUILDING REPLACEMENT HOUSING

The consent decree in *Hollman v. Cisneros* established a number of requirements related to the development of replacement housing units in the metropolitan area. Specifically, the settlement called for replacement of all units demolished or taken out of service as public housing, up to a maximum of 770 units. Replacement units were to be built in nonconcentrated parts of the metropolitan area as defined in the consent decree. Some portion of the units demolished on the north side were to be replaced on site, with the exact number to be determined by a participatory planning process described in *Report No. 2: Planning for North Side Redevelopment*. In addition to the units on the north side redevelopment site, at least 80 more replacement units were to be developed in other nonconcentrated parts of Minneapolis. At least 380 units were to be placed in suburbs of the Twin Cities. The consent decree prohibited any replacement units from being placed within the city of St. Paul. These locational restrictions were intended to further the dispersion objectives of the settlement.

The replacement units were to be offered first to the families displaced from the north side public housing projects, then to families on the Minneapolis Public Housing Authority waiting list for public housing who were living in race- or poverty-concentrated neighborhoods, and finally to all others on the public housing family waiting list. These groups constituted the “plaintiff class,” and 70% of the units built in the suburbs were to be set aside for them. However, in anticipation of the reluctance of suburban jurisdictions to cooperate in the remedy to a lawsuit of which they were not a part, the decree called for setting aside up to 30% of the units built in the suburbs for families currently on the suburban communities’ waiting lists. In effect, this meant that the U.S. Department of Housing and Urban Development (HUD) and the Minneapolis Public Housing Authority (MPHA) would be providing public housing units to help suburban communities partially meet their demand for subsidized housing in return for their accepting *Hollman* units reserved for the plaintiff class.

There were no restrictions on whether the replacement housing developed as public housing was to be new or rehabilitated existing housing. There was an expectation that the units would constitute a net addition to the stock of affordable housing in the region. This precluded light rehabilitation of existing affordable units and the conversion of existing subsidized units from one type of subsidy to public housing.

Early Efforts

The successful development of replacement public housing units throughout the metropolitan area was a significant challenge for all parties to the consent decree. The challenges were greatest in two areas: the technical elements of running a successful public housing development program in suburban areas, and the political obstacles of obtaining the cooperation of suburban communities.

By law, the MPHA has no authority to develop housing outside of the municipal boundaries of Minneapolis. The MPHA was therefore dependent upon the voluntary cooperation of nearby communities to build at least 380 units of public housing required by the consent decree to be built outside of Minneapolis.

The technical barriers resulted primarily from the way in which public housing subsidies are delivered to local agencies by the federal government. The first barrier is something called the Annual Contributions Contract or ACC. After construction of public housing, HUD enters into an ACC with the local public housing authority (PHA). It is through this ACC that operating and management funds are transferred by the federal government to the local PHA. “Holding the ACC” means entering into a long-term contract with the federal agency to operate the public housing in question and fulfilling the management and operational responsibilities associated with public housing.

Of course, it is possible in the *Hollman* case for the MPHA to hold the ACCs for the public housing built in suburban areas. This is, in fact, what was done for the first few projects completed pursuant to the decree. However, because MPHA is a larger, older agency operating in a central city, the HUD subsidy formula provides it with a smaller subsidy per unit compared to newer, smaller PHAs operating in suburban areas. Development of the first 20 units in this manner demonstrated that the costs associated with operating suburban units were greater than the subsidy received for these units through the ACC. According to MPHA officials, the agency was losing money on each suburban unit, leading to a situation in which the agency’s other units, located within the city of Minneapolis, were in effect subsidizing the suburban *Hollman* units.

The MPHA’s first attempt to deal with this problem was to ask the Metropolitan Council, in 1995, to hold the ACCs for suburban units. At that time the Met Council did not agree to do so. The Met Council Housing and Redevelopment Authority (HRA)—the Minnesota equivalent of PHA—only operated a tenant-based Section 8 program in suburban areas that did not have their own HRAs. At that time, the Met Council was not interested in expanding its role of directly providing subsidized housing. It was not until December 1998 that the Met Council agreed to act as a developer of *Hollman* public housing units in suburban areas.

A second technical obstacle to gaining the cooperation of suburban housing agencies was a public housing program provision that made improvement grants available only to

PHAs that owned and operated more than 250 units of public housing. The only money available to smaller PHAs was through a competitive grant program. These improvement grants are utilized for nonroutine maintenance and modernization of aging projects. Given the high expectations for the physical quality of the suburban public housing that was to be built under the *Hollman* decree, it made little sense to smaller agencies to hold the ACC if they would not have guaranteed access in the future to modernization funds. This obstacle was ultimately overcome when HUD created the Capital Fund Program in 1998 and made it available to all PHAs on a formula basis.

From 1995 through 1998, successful implementation of the replacement housing requirements in the suburbs meant locating an agency that had the administrative capacity to hold the ACC, that was willing to do so, and that had the number of units to qualify for modernization funds. Some suburban communities had existing HRAs with the authority and the capacity to hold ACCs, but did not have the number of units necessary to qualify for modernization funds. The Scott and Carver County HRAs participated in some early projects in the far southwestern suburbs, but lacked the number of units to make the HUD threshold for improvement funds. The Washington County HRA lacked administrative capacity in the mid-1990s to run a public housing program. Some agencies had both the administrative capacity and the necessary number of units, but not the political desire to participate. For example, in Dakota County, which has one of the most professional and capable HRAs in the region, County Commissioners simply refused to participate in the *Hollman* program because of the 70% set aside of units for the plaintiff class. In fact, in 1998, the parties to the decree reluctantly agreed to an amendment that limited the 70% set aside to the first 10 years of operation to entice more suburban communities to participate.

Because suburban public housing was a losing proposition for MPHA from a financial standpoint, and because no other agency stepped forward to hold the ACCs in the suburban areas, progress on construction of *Hollman* units in the suburbs was extremely slow in the first few years after the decree was signed.

At the same time, the City of Minneapolis was making little progress on its allocation of replacement housing. Outside of a single eight-unit project a couple of miles north of the project site, the city took no steps to begin identifying nonimpacted areas within its boundaries in which to place housing. In part this was due to a decision by MPHA to focus their efforts on getting suburban units built first because these would be the greatest challenge. However, there was also a lack of political will within Minneapolis to build more public housing units.

The Hollman Implementation Group

By June 1998, the Sumner and Olson projects had been demolished, 250 families had been relocated throughout the region, and planning for the redevelopment of the site had been completed, yet only 19 units of replacement housing had been built and only 48 others had

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been financed. Development of replacement housing was clearly lagging behind all of the other elements of the decree. At this point, MPHA was still casting about for workable strategies. The Family Housing Fund of Minneapolis–St. Paul (FHF), a nonprofit organization that finances affordable housing development in the metropolitan area and that has public officials from across the region on its board of directors, began to convene monthly meetings of officials from the list of agencies who were defendants in the lawsuit and from other agencies active in producing affordable housing in the region. The meetings of what came to be called the *Hollman* Implementation Group (HIG) were organized and run by FHF executive director Tom Fulton, and the goal was to assist with the implementation of the replacement housing objectives in the decree.

During the next two-and-a-half years, HIG met and strategized about how to make the replacement units happen. Membership in the group expanded in the summer of 1999 when the participants realized they would need representatives of all of the suburban agencies responsible for affordable housing, as well as representatives of the plaintiff groups. By 2000, close to 20 people representing 12 local governmental bodies were regularly meeting each month to discuss progress on the development of *Hollman* units. Such a wide representation allowed HIG to deal with a range of factors that inhibited the timely implementation of the consent decree’s replacement housing requirements.

The participation of local officials did not mean, however, that local political obstacles had been surmounted. Although the director of the Dakota County HRA was an active member of this group, for example, the county still refused to take any *Hollman* units. Similarly, the official from Ramsey County attended despite the opposition of county commissioners there to participation in *Hollman*-related developments.

In the summer of 1998, HIG worked on three issues: how to make the Section 8 certificates and vouchers more effective in the region, the possibility of converting some portion of the 900 special mobility certificates into “project-based” subsidies, and how to get replacement units built more quickly in the suburbs.

Section 8 The Section 8 program was important to the implementation of the *Hollman* decree because HUD had committed to the region 900 Section 8 subsidies to assist in the dispersal of low-income families. In large part, the effectiveness of the decree rested on how easily these subsidies could be used in suburban areas. The growing affordable housing crisis in the Twin Cities region and the low vacancy rates characterizing the regional housing market made the use of these subsidies very difficult and threatened this central element of the decree. A fuller description of the group’s efforts in this area is contained in *Report No. 7: Mobility Certificates*.

“Project-Basing” Section 8 Subsidies The second issue pursued by HIG was converting some of the tenant-based Section 8 subsidies provided by HUD as part of the consent decree into project-based subsidies.¹ This was intended to help solve two problems. First, it was seen as a way to utilize the subsidies that were going unspent because families could not use their tenant-based Section 8 subsidies. Second, it was a way to produce replacement units. Project-based Section 8 subsidies can help alleviate production problems because these units are not subject to the same constraints as are public housing units. In addition, concerns about ACCs and the capacity of local agencies to qualify for improvement funds are avoided because project-based Section 8 subsidies do not operate under these rules.

The problem with project-based Section 8 subsidies, and the ironic part of this strategy, is that they fly in the face of more than a decade of HUD policy. Since the 1980s, HUD has been shifting its subsidized housing efforts away from project-based assistance and toward more portable tenant-based subsidies. In fact, such an objective was no small part of the *Hollman* settlement; HUD provided 900 tenant-based subsidies to members of the plaintiff class for the express purpose of furthering the shift in federally subsidized housing away from project-based subsidies toward tenant-based assistance. From this perspective, project-based subsidies would constitute a step in the wrong direction. Moreover, project-based subsidies would require approval of the plaintiffs to the lawsuit as well as approval from HUD.

Approval of project-based subsidies by Legal Aid was swift; the lead attorney in the case for Legal Aid indicated in the summer of 1998 that such subsidies were acceptable. But getting the National Association for the Advancement of Colored People (NAACP) to act on the issue was more difficult. The organization’s new leadership was not supportive of the move, and during much of 1999 there was a leadership struggle in the group that precluded the development of any coherent policy related to this matter. In the end, even after the leadership struggle was resolved, the NAACP was not supportive of the move. A formal proposal to HUD was never made.

However, in 2000, MPHA pursued another method to shift these subsidies into project-based form. Every year since 1995, when the consent decree was signed, HUD had authorized sufficient funds to subsidize 900 mobility certificates and vouchers in the region. However, few people utilized these funds (about 200 of the 900 had actually been used by 1999). Consequently, millions of dollars in unspent subsidies were being returned to HUD each year because the mobility certificates were not being used. In early 2000, the MPHA requested that the unused budget authority from the mobility certificates be converted into project-based subsidies to help with the development of replacement units. This proposal

¹ Project-based subsidies are forms of housing assistance that are tied to particular units of housing. It is this form of housing assistance that has been most commonly concentrated in disadvantaged neighborhoods in the past. Tenant-based subsidies like Section 8 certificates and vouchers are seen as having an advantage over project-based subsidies in this respect because households can take the subsidies with them and use them throughout the market.

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had a much better chance of being approved by HUD and it did not require an amendment to the consent decree (and thus did not require approval of all the parties to the lawsuit). In February 2001, HUD approved the proposal and \$28.5 million became available for development funds.

Building Replacement Units The central challenge facing HIG and MPHA was figuring out how to get *Hollman* replacement units built. The obstacles were many and they appeared to differ from community to community. As the committee members suggested, in some communities there was a need for “public education” (which is another way of saying that the not-in-my-backyard syndrome was the chief problem). In other communities, the problem was administrative capacity to hold ACCs.

In the wake of the settlement negotiations, most local officials were uncertain of the technical and financial obligations involved in participating in public housing development. The *Hollman* Implementation Group gathered information from MPHA and from consultants until it had a picture of the exact development costs and the operation and maintenance subsidies available from HUD for such housing.

The committee focused on identifying an agency that could hold the ACC in those suburban areas where the capacity did not exist. The group explored the idea of creating a new multijurisdictional entity to serve this function through the creation of a joint powers agreement (JPA) among local governments. Ultimately, however, the JPA faced the same problems with political buy-in that the other approaches faced. Local communities were uncertain of their financial commitment if they agreed to participate in a JPA, and more importantly, there was still a great deal of opposition to public housing in its own right.

As the likelihood of a JPA faded, the attention of the *Hollman* implementation group shifted to other strategies. One strategy was to place some *Hollman* units in St. Paul. In the summer of 1999, the St. Paul PHA had expressed a willingness to take up to 100 units, and it was making another contribution to the effort to build replacement units by offering technical assistance to the Met Council as it attempted to gear up to develop some *Hollman* units. Placing units in St. Paul required an amendment to the consent decree, which was completed in May 2000. The amendment allowed up to 300 units of replacement housing to be put in St. Paul subject to the same restrictions as other replacement housing—that it be located in nonconcentrated neighborhoods, and that 30% of the units could be filled by persons on the St. Paul waiting list for housing.

The Met Council's Role

Another strategy pursued by HIG and MPHA was to resurrect the possibility of the Met Council holding the ACC in smaller communities. The MPHA had first broached this idea with the council in 1995, but it was rejected. Despite the fact that the Met Council representative to HIG raised the possibility again in an early meeting of the group, it was set aside in favor of investigating the JPA solution. However, in December of 1998, the council

signaled its willingness to hold the ACCs in suburban areas but not own the units (preferring to partner with nonprofits or other public agencies for this purpose). Both the Family Housing Fund and the MPHA offered to assist in the hiring of a development coordinator, and the St. Paul HRA provided additional technical assistance to the Metro HRA, which had never developed affordable housing before. Shortly thereafter, incoming Governor Jesse Ventura appointed a new set of Met Council Commissioners and the transition temporarily derailed progress on the Met Council's *Hollman* strategy. Ten months later, in October 1999, the council hired a coordinator to head their *Hollman* development effort. In January 2000, the Met Council agreed to own the public housing built as *Hollman* replacement units, but only in communities where the local government had agreed to them.

Funding Gap

Even absent any of the other political and technical obstacles to developing public housing in suburban areas, there was a funding gap from the beginning. The 1998 MPHA estimates indicated that they could spend no more than \$93,000 per unit to develop all of the units called for in the decree. However, most of the units that had been built up to that point had been more expensive, and the possibility existed that costs would be even higher in many of the other suburbs in which MPHA wanted to develop units. All parties to the lawsuit began to worry whether enough money had been set aside by HUD in the original agreement to develop all of the replacement units. In fact, there were two funding gaps: the gap between the maximum cost allowed by HUD and the average cost to build 770 units, and the gap between the maximum cost allowed by HUD and the actual cost of each unit. In January 1999, based on the cost of *Hollman* units developed to that point, HIG estimated that the existing development funds would produce about 630 units rather than the 770 called for by the decree. A year later, the Metropolitan Council officials working to develop units in the suburbs estimated the development gap at about \$28 million.

Funds from other existing programs run by the state, the Family Housing Fund, and the counties could be used to supplement HUD *Hollman* dollars and make them stretch farther. Such a strategy, however, meant that *Hollman* units might not represent a net addition to the affordable housing stock if building them involved diversion of existing funds that had been earmarked for other affordable housing development projects.

In January 1999, MPHA and HIG members began to think that perhaps a HOPE VI grant from HUD would provide additional development funds to address the gap. This made sense from a programmatic view in that the objectives of the HOPE VI program were identical to those of the *Hollman* settlement: the improvement of public housing conditions and the deconcentration of subsidized households. Furthermore, according to local HUD officials, HUD was considering concentrating HOPE VI funds in those cities in which

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consent decrees similar to *Hollman* were operating. The MPHA submitted a HOPE VI grant application in 2000 but did not receive funding from HUD.

Another option considered was moderate rehabilitation of existing units. However, some members of the group argued that while this might bring down average development costs, it could include relocation costs for households inhabiting the units and, more importantly, would not constitute a net gain of affordable housing in the region.

In the end, the funding gap was substantially closed when HUD agreed in January 2001 to convert unused budget authority designated for Section 8 mobility certificates into development funds to cover the shortfall.

Creating Scattered-Site Replacement Housing

In one sense, all of the replacement housing built pursuant to the *Hollman* consent decree is what is called “scattered-site” housing. The units have been distributed widely across the entire metropolitan region and no single development contains more than 12 units or allots more than one-third of the development’s total units to *Hollman* replacement units. Many of these units, however, are in larger subsidized housing developments. Even though the other units in the project are not subsidized with *Hollman* money, technically, the *Hollman* units do not fit the definition of scattered-site housing. Thus, a further distinction can be made between units that are part of larger subsidized developments and units that are purchased individually in duplexes, or as single-family homes or town homes, and then rented out as *Hollman* replacement units. Units that are individually purchased by public agencies and then leased to *Hollman* families can be more accurately referred to as scattered-site units. There are five agencies that have produced scattered-site *Hollman* replacement units: the MPHA; the Metropolitan Council; and the Washington, Scott, and Carver County HRA.

Minneapolis

Just one month after the signing of the consent decree, Minneapolis officials found that they would have trouble convincing their own council members from wards with little subsidized housing to accept scattered-site public housing, let alone suburban officials who have historically been antagonistic to low-income housing. In May of 1995, Mayor Sharon Sayles Belton introduced to the city council a set of housing principles that made dispersal of affordable housing a central tenet for city policy. The council as a whole did not respond favorably. Council members from neighborhoods with few subsidized housing units feared that dispersal would merely spread blight throughout the city. One suggested that neighborhoods should not have to take more than the metropolitan area’s average of affordable housing (which then stood at 5.8% of all housing units). Another argued that redistribution of low-income units within the city should not be pursued because it “would take pressure off suburbs to accept their fair share” (Brandt and Draper 1995, 8A). The council voted 7 to 6 to return the principles to committee for further refinement. Although the principles were accepted by the council later that summer, Minneapolis council member Joan Campbell

called the initial hearing “one of the ugliest council meetings” she had ever attended (Brandt and Draper 1995, 8A).

In opposing the principles, council members were simply adapting portions of the deconcentration argument to their own areas. They were, in fact, echoing the argument that the city had already done its share in producing low-cost housing and that it was time for the suburbs to make affordable housing available in their areas. In addition, council members were concerned that the blight associated with concentrated poverty would move into their districts when subsidized housing was placed there. These positions, however, did not help to convince suburbanites that they should be the ones to take subsidized housing. As one suburban housing official said at the time, “If they don’t want [the low-income housing units], how can they go out to the suburbs and ask us to take them?” (Brandt and Draper 1995, 8A)

Based on the consent decree, Minneapolis had an allocation of “at least 80” *Hollman* units in nonimpacted neighborhoods throughout the city. But four years later, in the spring of 1999, only one development with eight units had been completed. The City did not make a concerted effort to develop any additional *Hollman* units until the protest actions of 1999, when the mayor delayed demolition of the Glenwood and Lyndale projects in the face of resistance from affordable housing and north side activists (see *Report No. 2: Planning for North Side Redevelopment*). It was only in the context of the severe shortage of affordable housing in the city, the protests of community activists, and the demolition of the remaining 300 units of public housing that the city began to meet its replacement housing obligations. During the summer of 1999, the mayor pledged to increase the rate of replacement housing development in the city. The city’s self-imposed deadline was to have all 88 units occupied by April 2000, one year earlier than the deadline set in the consent decree.

The Minneapolis Public Housing Authority created an allocation formula for determining how many units would be acquired in each of the city’s nonimpacted neighborhoods. The agency looked at the number of public housing units, Section 8 units, group homes and halfway houses, and other subsidized units in each planning district in the city. (There are 11 such districts in the city, each slightly larger than a city council ward and combining several neighborhoods.) The formula for distributing the *Hollman* replacement units was aimed at equalizing the distribution of all of these units across the city. This resulted in the southwest and northeast districts receiving the most *Hollman* units (28 and 18, respectively). By October 1999, MPHA had acquired 30 units, but only 34 units were actually occupied by the end of April 2000. A total of 75 units were occupied by the end of 2000, and the City of Minneapolis met the consent decree deadline by having all units occupied by April 2001.

Washington County

Washington County agreed in 1997 to accept 60 *Hollman* replacement units at the request of the MPHA. But as was the case throughout the region, little progress toward completing the replacement units had been made by the beginning of 1999. In that year, the Family

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Housing Fund made a grant to the Washington County HRA to hire a consultant to work on developing replacement units. The first home purchased was a single-family home in Cottage Grove. The house had already received renovation funds from the Washington County HRA, but the owner was in default and facing foreclosure. The house was purchased in July 1999 and became the first of 46 single-family and town home units acquired by the HRA in a nine-month period. The agency purchased homes that were already on the market or that HUD had foreclosed upon. In this way, the agency avoided displacing families and eliminated relocation costs. The agency had difficulty purchasing and rehabilitating units for the amount allowed by HUD, however, and gap funds from the Met Council and the Family Housing Fund were necessary.

The HRA had “blanket authority” from the Washington County Board of Supervisors to acquire units in all of the county’s municipalities. This meant that the agency did not have to seek approval of individual city councils for the units they purchased. This helped to speed the process dramatically.

Carver County

The Carver County HRA entered into an agreement with MPHA in 1998 to develop 50 scattered-site units. The HRA began acquiring units in that year and leased its first unit in 1999. The HRA had difficulty finding property for which the purchase and rehabilitation costs did not exceed the total development costs allowed by HUD for public housing. The need to find less expensive housing in the growing suburban areas of the metropolitan area slowed progress. In fact, the agency calculated that it would fall about \$1.5 million short of the resources needed to purchase and rehabilitate the 50 units to which it had agreed. In other words, the agency would have been lucky to get 40 units completed with the resources they were originally allocated. Ultimately, HUD’s agreement to allow MPHA to convert unused Section 8 authority into replacement housing capital made up the difference. To date, the agency has averaged \$160,000 per unit for purchase and rehabilitation.

The agency also attempted to avoid competing with first-time homebuyers in the area, so it only pursued single-family homes and duplexes that had been on the market at least six weeks. Unlike the Washington County HRA, the Carver County agency had to seek approval from individual communities before proceeding.² Some cities required a formal vote of the city council, while in other cities the staff approved the agency’s proposals. Carver County HRA staff indicated that some communities, such as Chaska, were quite receptive to the housing as long as the agency could show that it would not be reconcentrating the units within the city. In other places, according to HRA staff, “council meetings [were] very difficult to go through. It was incredible what would come out of people’s mouths” when they opposed this type of housing.

² Although the Carver County Board of Supervisors gave the HRA blanket authority, it did require the agency to contact individual cities before proceeding. This gave cities the option of pursuing a less formal means of reviewing the project and approving it.

The consent decree's mandate that 70% of the replacement housing be held for Minneapolis families was an obstacle to its acceptance in many places. According to HRA staff members, "some places would have loved this housing had their own residents been placed in the units." Other public officials expressed concern about the potential lost revenue to the city from the property taxes that would not be collected if the property were owned by the HRA. Still others expressed concern about the additional burdens such housing, and the families who lived in such housing, would place on the local schools.

Finally, there was "a definite tendency for officials to want us to take their bad units" according to Carver County HRA staff. That is, the officials would agree to the purchase of homes by the HRA only if those homes were blighted properties. There were two reasons for this stand on the part of suburban officials. First, they felt that the program would produce more of a tangible benefit to the community if it meant the improvement of the city's worst properties. Second, the neighbors of such properties would be less likely to be vocal in their opposition.

In the end, the HRA purchased property in every community they had originally targeted. City leaders changed, elections changed the face of the city councils, new city managers were hired, or, as happened in at least one case, the most vocal opponents simply missed the public meetings at which the issue was decided. The agency purchased 13 units in Chaska, 14 in Chanhassen, 5 each in Norwood and Waconia, 3 each in Victoria and Cologne, 2 in Watertown, and 1 in Carver.

After making the purchases, the agency had difficulty attracting bids for the rehabilitation work. In the hot housing market the Twin Cities was experiencing during these years, contractors were more attracted to opportunities to build \$300,000 homes rather than to the uncertainties of smaller rehabilitation work in which, according to one staff member, "you never know what you are going to find behind the walls."

Agency staff members indicated that they have "had to become extra vigilant in tenant screening and property management." The screening procedures set up by the agency reassured many reluctant city officials that the project could work. At the same time, one staff member said,

we have to be careful about setting these families up for failure. Their neighbors are looking for anything to complain about. They live in a glass box out there. Depending on where they are, their neighbors are terrible to them. Our tenants are responsible for the outside maintenance of their homes. From some neighbors we hear it if a tree branch falls on their property, or if the grass gets higher than 3 inches. Meanwhile, the neighbors down the block can have a lawn that is twice as high and there is no problem.

According to the staff, this kind of response by neighbors is common for minority residents.

Metropolitan Council

The Met Council's pledge that they would only work in communities that explicitly agreed to have replacement units turned out to be an important one. In practice, it meant that the council would need approval from each individual community where they wanted to build public housing. In contrast, the Washington County HRA had been granted authority by the county board to develop individual *Hollman* projects in communities without a separate cooperation agreement with each city. Met Council staff and officials did not pursue that strategy because they felt that the possibility of success was too low (as a regional entity, the Met Council would have required approval from the state legislature to get blanket authority, an unlikely event). The council's enabling statute requires it to obtain prior approval from cities before implementing any housing project. The lack of blanket authorization essentially negated any advantage that might have come from having a regional body involved in the development process. The Met Council's entry into the development effort may have solved the technical problems of creating *Hollman* units in the suburbs, but it did nothing to circumvent the political resistance of local governments to public housing.

Throughout the last half of 2000 and well into 2001, Met Council development staff met with individual cities. Working in Anoka and suburban Ramsey and Hennepin Counties (areas not covered by other PHAs in the region), and limited to negotiating with communities to get their consent to develop public housing, Met Council staff made little progress at first. The council began by bargaining with communities and offering them deals for senior housing in exchange for accepting *Hollman* units. A change in staff, however, led to a reduction in what the council was willing to promise communities. Although on a couple of occasions the new council staff promised that any senior Section 8 project submitted by a community that accepted *Hollman* units would be given high priority by the council, in the end this was not an important element in any of the agreements between the council and individual communities.

Met Council staff also worked to avoid a public confrontation on the issue of accepting *Hollman* units. They negotiated with city staff members behind the scenes and attended "work sessions" with city council members to discuss *Hollman* and public housing. Met Council staff never brought a project to a public vote unless they were confident of victory, trying to "avoid a momentum of opposition" from being generated, as one Met Council staff member put it. In practice, this meant there were no such votes in any community for several months.

Met Council staff members began their efforts in the first-ring suburbs north of Minneapolis. The initial response on the part of the communities they approached was to offer the Met Council the worst units in the housing stock or to impose on the council a set of conditions on development to which they would not agree (e.g., the purchase of units that did not exceed 80% of the community's median value, or a commitment to make improvements equal to 30% of the value of the house). Many communities objected to the

loss of property tax revenue (public housing is exempt from local real estate taxes), even though council staff tried to show that the reduction in revenue would amount to roughly 0.2% annually. One Met Council staff member claimed that these demands and concerns were simply “another way of saying, ‘no.’”

After two months in the northern suburbs, Met Council staff tried another strategy: they looked at the comprehensive plans of suburban communities to find those that identified affordable rental housing as a need, and then focused their efforts in these communities. Council staff combed through the plans looking for statements about the need for affordable housing, and then used the statements as leverage in their negotiations with communities.

But a vague and unsubstantiated statement concerning the lack of affordable rental housing buried somewhere in a comprehensive plan is not the same as a statement of willingness to accept Minneapolis public housing units. *Hollman* units remained a tough sell in the suburbs. Several northern suburbs with relatively less expensive housing stocks suggested that the Met Council spend its time building *Hollman* units in Edina, Minnetonka, or Eden Prairie, more affluent suburbs to the south and west of the city. Such a strategy would have made more sense from a dispersal standpoint, and would have relieved the fear on the part of more affordable northern suburbs that a reconcentration of low-cost units was planned for their communities. Met Council staff had started elsewhere because high housing prices in wealthier suburbs meant higher acquisition costs than the program could afford.

The council enlisted the help of regional affordable housing advocacy groups to help make the case for the need for *Hollman* units, a somewhat ironic alliance since these groups had been vocal critics of the Council’s lack of initiative on the issue in the past.

By February 2001, the Met Council still had not closed a single deal in the suburbs. The MPHA publicly expressed its concern that the council would not fulfill its agreement to develop *Hollman* units and considered reallocating some of the Met Council units to the St. Paul PHA (Brandt 2001). The agency’s efforts finally paid off when, a couple of weeks later, it announced its first agreements. By May 2001, the council had entered into agreements with the cities of Plymouth, Minnetonka, Eden Prairie, Edina, Maple Grove, Golden Valley, Shoreview, Roseville, Coon Rapids, and Blaine that covered the agency’s entire allocation of 150 units.

Political Resistance

Political opposition has been the most enduring and widespread obstacle to fulfilling the replacement housing objectives of the consent decree. As one suburban official said early in the process, “public housing is simply not an acceptable strategy in many places. Elected officials simply won’t go for it and it is not on the table for discussion.” Suburban officials were concerned that they would be asked to participate in a legal remedy to which they were not a party. Some objected to the interference in local decision making that was embodied in the dispersal plan, while others voiced concern that if they were to accept such housing and other communities did not, their communities would become “dumping grounds” for low-cost housing. As one MPHA official commented after almost two years of working with suburban communities, public housing in the suburbs “is not an easy sell. You have to spend some time dealing with the stereotypes of poor people” (quoted in Diaz 1997, 1B). Even within the city of Minneapolis, it took several years and renewed outcries over the availability of affordable housing to generate a meaningful city effort to create replacement *Hollman* units in nonconcentrated neighborhoods.

Early on, HIG created a marketing subcommittee to develop strategies for increasing acceptance of public housing in suburban areas. But the fierce opposition faced by even non-*Hollman* affordable housing proposals indicated to everyone involved how difficult the political battle was going to be.

One of the earliest suburban projects to include *Hollman* units, which was developed in Minnetonka, serves as an example. Opposition to this project was based not on the fact that a small percentage of the units were *Hollman* units, but rather on the fact that the project as a whole would be devoted to “affordable” housing and that it involved developing a previously wooded lot adjacent to an area of single-family homes. According to the developer, opposition to the project initially focused on concerns about parking, traffic, and density. Once the development’s projected rent levels became known, however, opposition to the project shifted away from traffic and focused on the issue of affordability. The developer received threatening phone calls at home, and elected officials required the developer to meet repeatedly with neighbors and go through multiple reviews by city agencies. It took more than one year for the development to receive approval, including what the developer called “several months of ugliness.”

In this particular case, city development staff were supportive during the process and the Metropolitan Interfaith Coalition for Affordable Housing (MICAH) was able to organize support for the project. In the end, the Minnetonka City Council approved the project on a vote of 6 to 1. According to the developer, the *Hollman* public housing units had not made the situation worse; the neighbors were opposed to affordability at any level.

In Washington County, where the HRA received blanket approval to purchase scattered-site homes for development as *Hollman* replacement units without approval from individual

communities, an official reported that one mayor urged the HRA to “do more, just don’t tell me about it.” In other communities, acceptance of *Hollman* units was made contingent on other actions. One HIG member recounted that in order to get approval for two *Hollman* units in Ramsey, the city wanted the developer to move a bicycle path and develop 11 units of senior housing next door. This method of providing senior units in exchange for (or in anticipation of approval for) affordable units has been used successfully in some communities by other agencies. As one HIG member said, “it’s a way in.” Making *Hollman* units contingent on the development of senior units, however, has the potential to slow the process even further and has the drawback of tying the success of replacement housing to the availability of development funds for senior housing. In the end, those attempting to develop *Hollman* units avoided this strategy.

Overcoming political opposition to public housing in the suburbs was not made easier by the lack of replacement housing activity within the city of Minneapolis. From 1995 through mid-1999, the City had acted much as suburban jurisdictions had acted: as if they didn’t want the units. Indeed, given that roughly three to four times the number of *Hollman* units had been built in the suburbs through 1999 as had been built in the city, one could argue that suburban communities actually had been more welcoming of these units.

Production

Throughout this entire process, it remained the responsibility of the MPHA to actually develop the replacement units. The agency took three approaches to development. In some cases, MPHA developed the units by itself. This was the method used for most of the units created within the city of Minneapolis. In such cases, the MPHA owned and operated the units and held the ACC.

The second approach involved the MPHA partnering with another public agency on a project-by-project basis to complete the development. These “mixed-finance” developments were owned and operated by a separate entity, but MPHA held the ACC. In such cases, the *Hollman* units constituted a subset of all the units in the project and brought with them a separate funding stream.

The third approach involved MPHA entering into a written agreement with another public agency and passing through to that agency the development and operating subsidies necessary for them to build and operate the public housing. The MPHA made allocations to several agencies in this manner. The first such agreements were reached with the Carver and Scott County HRAs for 50 and 61 units respectively. Subsequent agreements were completed with the Washington County HRA for 60 units, the Metropolitan Council HRA for 150 units, and the St. Louis Park and Bloomington HRAs for 12 and 6 units, respectively. Upon receiving an allocation, the suburban HRA faced essentially the same decision as MPHA about how development was to occur: whether in PHA-owned developments (or scattered sites) or through “mixed finance” deals with private sector developers.

Rate of Production

Figure 1 shows the annual rate of *Hollman* replacement unit production since the consent decree was signed in 1995. Both in absolute terms and against the backdrop of demolition, it is clear that little progress was made for the first four years after the decree was signed. There was also little progress made for nearly two years after the HIG began to meet. But a combination of two factors—the increasing political pressure resulting from the region’s escalating affordable housing crisis and the sustained efforts of MPHA and HIG—has led to an increase in the rate of development since 1999.

The breakthrough year for replacement housing was 1999. The region’s affordable housing problem reached crisis proportions and the protests over the demolition of the north side units peaked in the summer of 1999 (see *Report No. 2: Planning for North Side Redevelopment*). This triggered the decision by the City of Minneapolis to expedite its efforts to create replacement units in nonconcentrated areas of the city as required by the consent decree. Before the year was out, the City had acquired most of the 88 units they had pledged. During 1999, Met Council staff laid the groundwork for getting the council members to approve a more active role in *Hollman* development, although the formal decision to approve the Met Council’s ownership and direct operation of public housing units was not made until 2000. Washington County began its effort to purchase, rehabilitate, and lease single-family homes as public housing units in late 1999, although these units were not occupied until 2000. Hennepin County, although still unwilling to directly develop *Hollman* units, created in late 1999 a \$2 million subsidy fund to assist in the development of *Hollman* units that was matched by another \$1 million from the McKnight Foundation. In early 2000, HUD agreed to free up unspent Section 8 allocations to make up the development funding gap, ensuring that enough subsidies would be available to develop all 770 units.

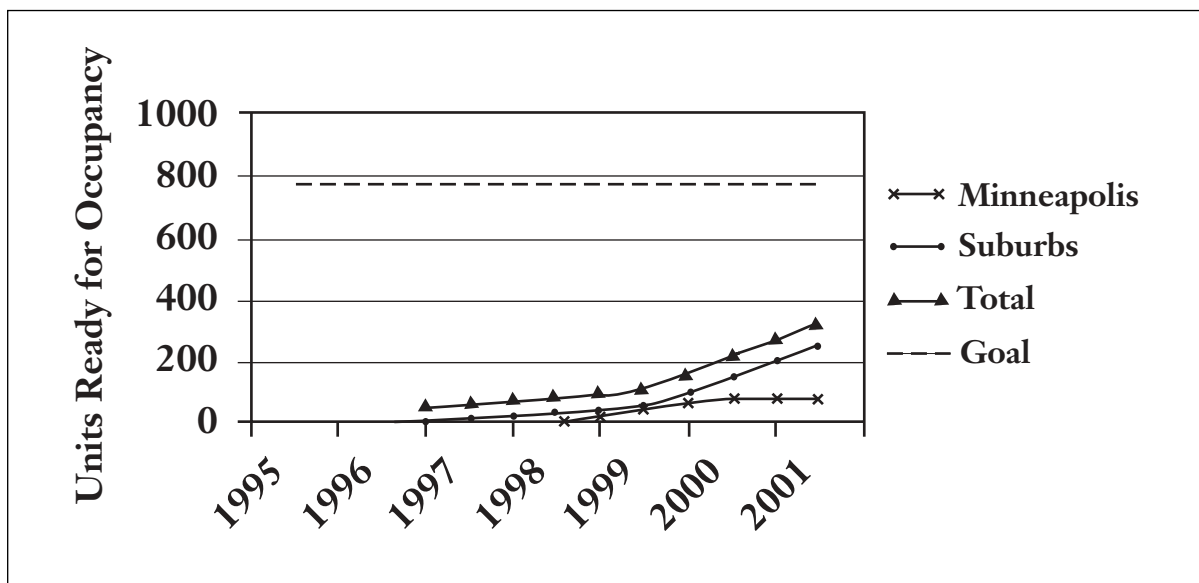


Figure 1. Production of *Hollman* Replacement Units, by Year

Summary

In many respects, the building of replacement housing pursuant to the requirements of the *Hollman* consent decree was an excellent example of the regional cooperation the Twin Cities region is known for. The MPHA cooperated with various regional housing agencies. A weighty, foundation-based nonprofit brought together all of the parties to the lawsuit as well as other affordable housing advocates to fashion a strategy to address the challenges of developing public housing units in suburban areas. The partners worked to solve a series of technical obstacles to building Minneapolis public housing in suburban areas. Although it is impossible to determine whether these solutions might have emerged without the actions of HIG, it is highly unlikely that they would have emerged as quickly. It was HIG, for example, that generated the pressure and the lobbying effort that convinced the Met Council to expand its role in the direct provision of public housing units in suburban areas.

What HIG could not accomplish, in the end, was to effectively change the political environment in which proposals for suburban public housing would be considered. Even without the technical hurdles, individual communities were little more predisposed to accepting Minneapolis public housing than they had been previously. The result was agonizingly slow progress on the actual development of units.

The temptation to amend the consent decree as a means of expediting replacement housing development was significant throughout the process. Several specific amendments were discussed by the parties to the suit, some more seriously than others. Yet virtually every one of the amendments would have softened the deconcentrating effects of the decree. The consideration of those amendments—and in some cases their adoption—illustrates the difficulties of developing subsidized housing in a way that truly accomplishes dispersal objectives. For example, the attempt to shift certificates to vouchers would have made the subsidies easier to use (vouchers are more flexible), and the attempt was made in recognition of the difficulty of using tenant-based Section 8 subsidies in the very tight regional housing market in the Twin Cities at the time. Such a shift toward vouchers, however, would have lowered the level of affordability for the typical family.

The desire to make some of the Section 8 subsidies project-based was also an acknowledgment of the difficulty of successfully utilizing tenant-based assistance. However, this was also a direct retreat from the objective of giving greater mobility choice to assisted families. Lawyers for the plaintiffs were also asked whether they would waive the requirement to set aside 70% of replacement units for Minneapolis families. One suburban county indicated it would join the development effort if this requirement were eliminated. Although in the end this was not done, it too would obviously have compromised the deconcentration effects of the decree.

During the replacement housing effort, the rule that units could not be placed in impacted census tracts or in St. Paul was relaxed in order to get one development completed on the south side of Minneapolis and to allow St. Paul to contribute to the replacement

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housing effort. Again this technically was a step back from the deconcentration effort, but the decision was made in response to the difficulties of meeting the replacement housing objectives of the consent decree.

PROFILE OF REPLACEMENT HOUSING

Geographic Dispersion of Replacement Units

As of February 2002, 332 replacement units have been completed and are ready for occupancy. Of these units, 24% (80) are in Minneapolis and the rest (252) are located in various suburban communities across the metropolitan area. Figure 2 shows the geographic distribution of completed units and units under construction.

In Carver County, which is located in the far southwest of the Twin Cities metro area, most of the units (both scattered site and larger developments) are in Chaska and Chanhassen. There are a few scattered-site units in Waconia, Carver, Norwood, and Watertown. Carver County has a total of 65 *Hollman* replacement units.

In Scott County, project-based units exist in Savage and Shakopee, and Shakopee also has a number of scattered-site units. In fact, the 27 replacement units located in Shakopee are the second most in any single suburb in the region.

There are no replacement units at all in Dakota County, which is located to the south and east of Minneapolis.

Washington County currently has 56 *Hollman* units, most of them in the developing suburbs of Woodbury, Oakdale, and Cottage Grove. Woodbury alone is home to 34 replacement units, the most of any suburb.

Ramsey County (which includes St. Paul and its immediate suburban neighbors to the north and east) has 25 units in larger projects in Mounds View and Shoreview and scattered-site units in Roseville and Shoreview.

Anoka County, located to the north of Minneapolis, has 38 units, most of which are scattered-site units in Coon Rapids and Blaine.

Finally, suburban Hennepin County has 103 units. The majority of these units are in Eden Prairie, Maple Grove, New Hope, and Minnetonka, with smaller numbers in St. Louis Park, Golden Valley, Edina, and Plymouth. Within the city of Minneapolis, a few units are scattered throughout the city, including the more affluent southwestern neighborhoods.

Neighborhood Profile

Geocoding the addresses of replacement housing units allows an analysis of the neighborhood attributes of the replacement units. Census data were collected for each of the replacement units. Table 1 shows the neighborhood profile for the average replacement unit, compared to the neighborhood characteristics of the north side site and to the averages for the metropolitan area. The data show dramatic differences between the neighborhood

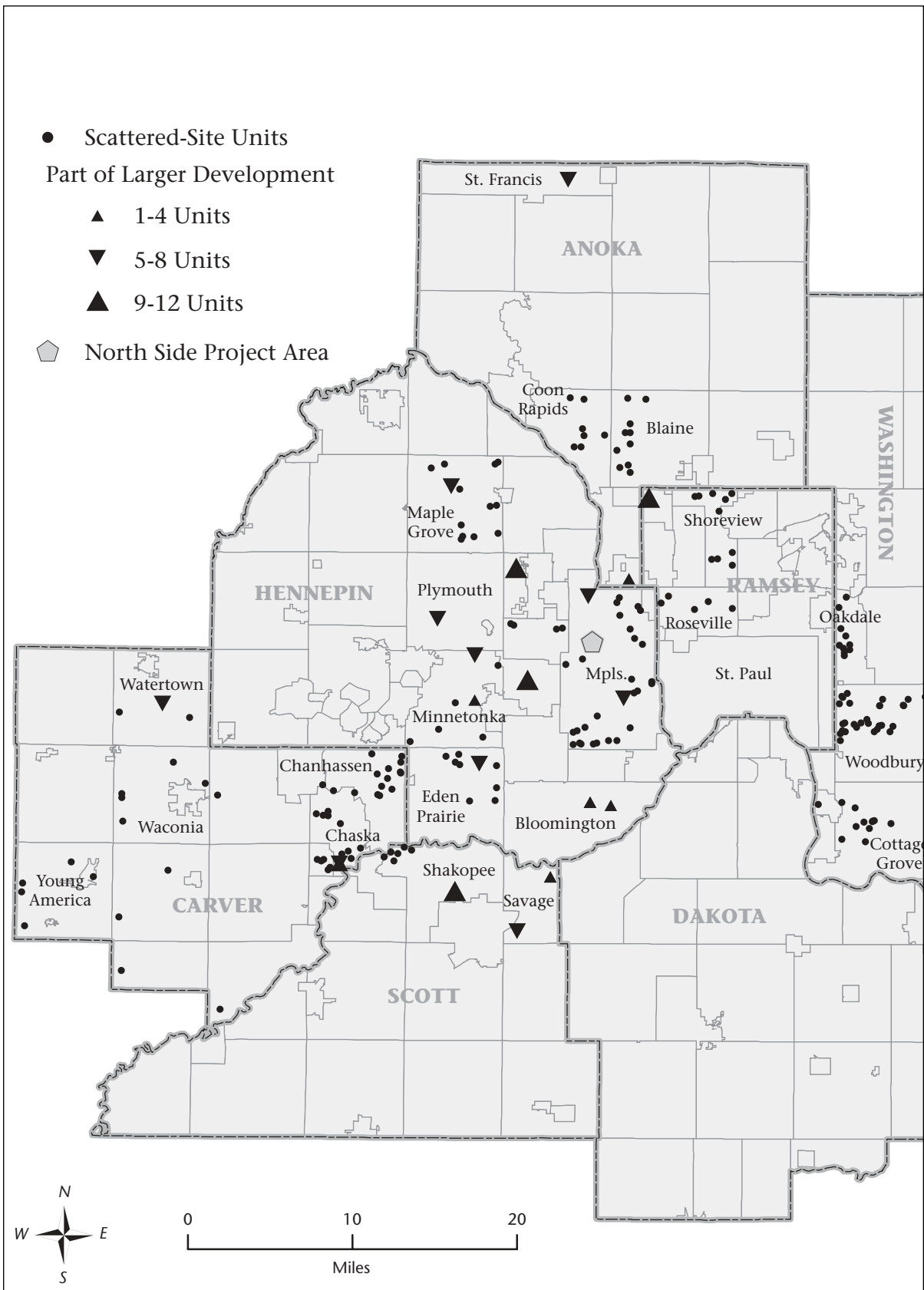


Figure 2. Geographic Distribution of *Hollman* Units Completed or Under Construction, February 2002

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characteristics of replacement housing units and the original north side neighborhood. Most dramatic is the poverty profile: only 8.2% of children and 5.6% of all residents live below the poverty line in replacement neighborhoods compared to 79.7% of the children and 72.8% of the entire population in the north side site. In the replacement neighborhoods 81% of the population is employed, compared to only 34.7% of the labor force in the north side site. The table also shows that the replacement neighborhoods compare favorably to the entire metropolitan area, with a higher percentage of the population having earned a college degree, fewer very low income residents and residents below the poverty level, fewer female-headed households, and a greater employment rate than the metropolitan area as a whole.

Table 2 presents the data for the replacement units, and compares the data for replacement housing neighborhoods within Minneapolis and replacement housing neighborhoods in suburban areas.

The data indicate slight differences in the neighborhood profiles for city and suburban replacement units. Although most of the differences are statistically significant, in most cases they are not large differences. City neighborhoods that have replacement units have populations that are 88.6% White, while suburban replacement housing neighborhoods have populations that are 95.7% White. There are also differences in income, with suburban replacement neighborhoods averaging \$1100 more in median household income than the city neighborhoods.

Table 1. Neighborhood Profile of the Average Replacement Unit (*N* = 429)

Neighborhood characteristic	Replacement units	North side site	Metropolitan area
Pct. White	94.2	5.8	92.1
Pct. Black	1.9	45.6	3.6
Pct. with college degree	35.6	5.3	27.1
Pct. very low income [†]	12.6	75.1	16.6
Median HH income	\$40,290	\$7,810	\$36,565
Pct. receiving public assistance	3.9	60.5	5.5
Pct. children in poverty	8.2	79.7	11.2
Pct. population in poverty	5.6	72.8	8.1
Pct. households with female head	5.6	29.1	14.4
Pct. of labor force employed	81.1	34.7	74.3
Pct. homeowners	75.7	3.8	68.7
Pct. housing units built before 1939	17.8	14.1	20.5
Pct. housing units with 3+ bedrooms	58.8	14.5	54.0
Pct. very low rent [‡]	8.7	79.9	13.8
Pct. low-value homes [§]	32.7	100	39.0
Median home value	\$91,290	\$49,326	\$87,400

[†] Residents with an income less than \$15,000 per year.

[‡] Residents with rent below \$300 per month.

[§] Residents with home values below \$75,000.

Table 2. Neighborhood Profile of Minneapolis and Suburban Replacement Units by Location (N = 429)

Neighborhood characteristic	Minneapolis	Suburban	Sig.
Pct. White	88.6	95.7	***
Pct. Black	5.1	1.0	***
Pct. with college degree	36.1	35.4	—
Pct. very low income [†]	19.8	10.6	***
Median HH income	\$31,892	\$42,646	***
Pct. receiving public assistance	6.2	3.2	***
Pct. children in poverty	12.9	6.9	***
Pct. population in poverty	8.8	4.7	***
Pct. households with female head	6.1	5.4	*
Pct. of labor force employed	76.5	82.4	***
Pct. homeowners	68.0	77.8	***
Pct. housing units built before 1939	59.2	6.2	***
Pct. housing units with 3+ bedrooms	46.1	62.4	***
Pct. very low rent [‡]	6.1	9.5	**
Pct. low-value homes [§]	59.7	25.1	***
Median home value	\$73,190	\$96,369	***

* p < .05, ** p < .01, *** p < .001

[†] Residents with an income less than \$15,000 per year.

[‡] Residents with rent below \$300 per month.

[§] Residents with home values below \$75,000.

The final comparison, shown in Table 3, is between neighborhood characteristics for the average scattered-site replacement unit and those units built as part of mixed-finance or housing authority developments.

Here the data indicate even smaller differences between the two comparison groups. Scattered-site units are in neighborhoods that are marginally higher income, with fewer very low income families and persons (including children) below the poverty level. There are also fewer residents on public assistance and more people who are employed in scattered-site neighborhoods. There are more homeowners on average in the scattered-site neighborhoods, and a slightly higher percentage of large units (3 or more bedrooms). The housing stock in the scattered-site neighborhoods is also somewhat more likely to be old (built before 1939).

Household Profile

Roughly one-third of the required replacement units were occupied by 2001. The initial experience suggests that these units will not deconcentrate Minneapolis public housing families in the way envisioned by the plaintiffs or the defendants. Although 70% of the replacement units built must be offered to members of the plaintiff class, if no family can be found to occupy the unit, the developers have the freedom to offer these units to whomever they wish. The initial figures suggest that the requirement to set aside 70% of the units is not being met. In fact, as of May 2002, only 57% of the occupied suburban replacement units were inhabited by Minneapolis families. Of these occupied suburban units for which information was available, 33% were occupied in May 2002 by White

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Table 3. Neighborhood Profile of Minneapolis and Suburban Replacement Units by Type (N = 429)

Neighborhood characteristic	Scattered-site	Project-based	Sig.
Pct. White	94.3	93.8	—
Pct. Black	1.9	2.0	—
Pct. with college degree	14.8	12.4	***
Pct. very low income [†]	11.5	14.9	***
Median HH income	\$41,446	\$37,927	**
Pct. receiving public assistance	3.5	4.6	***
Pct. children in poverty	6.9	11.0	***
Pct. population in poverty	5.1	6.7	**
Pct. households with female head	5.2	6.3	***
Pct. of labor force employed	82.3	78.8	***
Pct. homeowners	78.1	70.8	***
Pct. housing units built before 1939	20.0	13.2	**
Pct. housing units with 3+ bedrooms	60.8	55.1	**
Pct. very low rent [‡]	8.0	10.3	*
Pct. low-value homes [§]	32.3	33.5	—
Median home value	\$92,128	\$89,578	—

* p < .05, ** p < .01, *** p < .001

[†] Residents with an income less than \$15,000 per year.

[‡] Residents with rent below \$300 per month.

[§] Residents with home values below \$75,000.

families, 50% by African American families, 5% by Asian families, 5% by Hispanic/Latino families, 3% by American Indian families, and 4% by “other” families (mostly Somalian).

In suburban Washington County, for example, only five of the first 36 *Hollman* units (roughly 14%) went to Minneapolis families. The Washington County HRA agreed to accept an allocation of 60 scattered-site units from MPHA in 1999. Originally deemed not to have the administrative capacity to participate in *Hollman* development, the suburban St. Paul HRA upgraded its staff and improved its performance to the point where it was asked to contribute to the replacement housing effort. Between July 1999 and March 2000, the HRA moved quickly to purchase 46 single-family and town home units. The agency limited its acquisitions to homes already on the market and others in foreclosure, trying to keep costs down. As it was, the average cost per unit was above the HUD-approved level and required an injection of funds from the Family Housing Fund and the Met Council.

There were, however, significant difficulties marketing the units to Minneapolis families. First, the waiting lists that the Washington County HRA received from MPHA were out-of-date and inaccurate, creating difficulties in contacting families who were still eligible for and interested in suburban *Hollman* units. Second, even for those interested in suburban units, the Washington County homes were not very attractive. The county is located many miles from the north side of Minneapolis on the other side of St. Paul, and it is virtually unknown as a place to live for the Minneapolis public housing families. For those without a

car the units were out of the question. Even for those with personal means of transportation, moving to suburban Washington County often meant moving to a community about which they knew nothing. By early 2000, officials worried that some of the *Hollman* replacement units were being built too far away from the central city. Even the small town of St. Francis, 42 miles north of downtown Minneapolis, had *Hollman* units. Getting poor, central-city families interested in moving to a small town that far from the city proved to be difficult.

Carver County HRA staff described the difficulty they had renting their scattered-site units to people on the Minneapolis waiting list. The agency's office in Chaska is a 25-minute drive from the north side of Minneapolis. According to one staff member, when families arrive at the HRA office,

they say, "wow, that was quite a drive." Then we take them another 20 minutes out to look at the house. This is just too far away for many families. The one thing that keeps some of them is the house itself. They look at the house and the thought of living in a single-family home would bring them to tears, and make them think that maybe they could live out here.

In other developments outside of Washington County, Minneapolis families often did not make it past the tenant screening phase. The MPHA tried to get the private management firms that operated in these projects to apply a less rigid set of criteria, but they were not always successful.

In the Twin Cities region, local officials learned that as difficult as it proved to be, getting the units built was not the only hurdle to clear in attempting to deconcentrate poor families through replacement housing. Once the units were in operation, officials had to find families who were willing and able to move into the units. Program officials were successful less than half of the time.

The consent decree could not, by itself, change the dynamics of the regional housing market. Affordable units were easier to produce where costs were lower and where political opposition was less vocal. Yet, these areas did not provide the greatest amount of geographic and socioeconomic dispersion. In addition, the replacement units eliminated only one constraint on the mobility choices of Minneapolis public housing families: monthly housing cost. These families continued to struggle with all of the other factors that constrain poor families in the housing market, including the lack of transportation, the lack of informal support networks, and unfamiliarity with large portions of the regional market. In the end, although many families expressed a desire to move to suburban areas, few actually made the choice to do so.

IMPACT OF REPLACEMENT HOUSING IN SUBURBAN COMMUNITIES

Survey of Neighborhood Residents

In April 1999, questionnaires were sent to randomly selected residents of five neighborhoods in New Hope, Chaska, Minnetonka, Minneapolis (Lyndale), and Mounds View. These residents lived within a one-mile radius of the center of the replacement units for the *Hollman* project in north Minneapolis. Respondents answered questions about their overall satisfaction with their neighborhood, its general appearance, and their feelings of safety, and they rated their neighborhood as a place to live. Mailing and data collection were conducted from April 2 to August 30, 1999. Questionnaires were completed and returned by 481 residents living near the replacement sites for a response rate of 49%. Survey respondents were geocoded for proximity to the project site, making it possible to measure how close to the project each respondent lived.

Sampling Design

At the time of the survey, there were 12 possible replacement housing sites that could have been surveyed. The Prosperity Village development on North Lyndale Avenue in Minneapolis was chosen because of the desire to include one development in the central city in the sample. The Crown Ridge development in Minnetonka was chosen because it represented the only high-density apartment development available at the time. The Brickstone Townhomes and East Creek Carriage Townhomes were chosen because they provided the opportunity to study the impact of multiple *Hollman* developments in the same location. Both of these developments are in the city of Chaska, and there is significant overlap in the one-mile radius from each project that we used to measure neighborhood impact. The Silver Lake Commons project in Mounds View was chosen because at the time it was the only site in the northeastern portion of the metropolitan area. Finally, the Bass Lake Townhomes development was also used because at the time of the survey it was still in the planning stages. Thus, we were able to collect data on neighborhood conditions before the replacement housing was built.

The objective of the survey was to determine the impact of replacement public housing on people's satisfaction, sense of safety, and confidence in the neighborhood. A stratified random sample of household addresses was selected from residents living within a one-mile radius of the replacement housing sites. Equal numbers of households were selected from each of three concentric rings within the one-mile radius: those living within one-quarter mile, those living between one-quarter mile and one-half mile, and those more than one-half mile. Although we sampled equal numbers from each ring, there are more households living in the second ring compared to the first, and in the third ring compared to the second. Thus, responses from each ring are weighted to get a comprehensive and accurate accounting of all residents within the neighborhood area. Because there were two replacement developments in Chaska, twice the number of surveys were sent to this community.

Profile of the Replacement Housing Projects

Prosperity Village is a three-building multifamily rehabilitation project located on North Lyndale Avenue in north Minneapolis. The three-story buildings are located on the edge of a residential neighborhood characterized by both multifamily and single-family homes. There is also a small commercial district within a one-mile radius. Interstate 94 runs just east of the property. The project includes 25 units, 8 of which are *Hollman* replacement units.

The **Crown Ridge** apartment complex is a 64-unit development in Minnetonka, located just off of Hopkins Crossroads north of Interstate 394. The building is located near other large apartment buildings to the west. Just south of the site is a new upscale commercial complex and Interstate 394. There are significant traffic and development barriers between the apartments and a neighborhood of single-family homes to the northwest. There is also a park located near the complex.

The **Brickstone Townhomes** and the **East Creek Carriage Townhomes** are both located in Chaska. Brickstone is in downtown Chaska in the heart of the residential and commercial community. A range of commercial activities and the city's central square are within walking distance. The East Creek development is located just more than one mile from downtown in a somewhat isolated development. Brickstone is a 30-unit development, 5 units of which are reserved as *Hollman* units. East Creek is a 39-unit row-house-style townhome development in which 5 units are replacement units.

Silver Lake Commons is a 50-unit new construction and rehabilitation project located on Highway 10 in Mounds View. Highway 10 is a busy thoroughfare, although single-family residential land uses dominate on either side of the highway. A multifamily structure directly opposite Silver Lake Commons has recently been rehabilitated. The site is near a church, a bank, a strip mall, and the Mounds View City Hall. There is another strip mall on the other side of the highway, along with a library and a new office/retail development.

The **Bass Lake Townhomes** are located on Bass Lake Road in New Hope. There are eight buildings on the site, with a total of 34 units. Twelve of the units are reserved for *Hollman* families. This is the largest ratio of *Hollman* units to total project units of any of the mixed-finance projects. The project included rehabilitation of existing townhomes and new construction. The project is situated near the Thorson Family Resource Center, which is home to a library, a food shelf, and healthcare and childcare facilities. There is also a public park, an elementary school, and a church in the immediate vicinity. There are three multifamily units within a three-block radius of the complex. Most of the other housing is single-family, with a few duplexes. The townhomes sit at the Crystal–New Hope border. To the east is Crystal and a small business district.

Demographics

The racial makeup of the survey respondents is shown in Table 4. Of the respondents, 86% were White. Among all people of color, Asian is the largest group, accounting for more than

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4% of the respondents. Other groups represented in the survey include mixed race, African American, Hispanic, and American Indian. There are significant differences in the racial profiles of the neighborhoods surveyed. Lyndale and Chaska were the only neighborhoods with African American populations, with African Americans accounting for a substantial 12.4% of respondents in Lyndale. Lyndale was also the only neighborhood that reported any American Indians (1.6%). White respondents accounted for 96.6% of the sample from Mounds View, while in Lyndale 73.1% of respondents were White.

Table 4. Racial Makeup of Respondents

What race do you consider yourself?	
White/Caucasian	361 (86%)
Asian	18 (4%)
Mixed	11 (3%)
African American	9 (2%)
Hispanic/Latino	7 (2%)
Other	5 (1%)
American Indian	2 (0%)

More than half (58%) of the respondents in the survey were female. The proportion of female respondents ranged from 51.2% in Mounds View to 63.7% in Chaska. Homeowners represented 72% of the respondents. Unexpectedly, 88.6% of the respondents in Lyndale were homeowners, while the respondents in Minnetonka had the lowest homeownership rate at 62.1%. The average term of residency for the respondents was 11 years, although slightly more than one-third reported tenures of 3 years or less. The average term of residency was driven up by a small group of respondents who had lived in their current homes for very long periods (21% of respondents had lived in their homes 20 years or longer, and 11% for 30 years or longer). The average length of residence was 13 years for homeowners and 5 years for renters, a difference that is statistically significant ($t = 6.67, p < .001$). For both renters and homeowners, the average term of residency was longer than that reported in the survey of north side Minneapolis residents.

Table 5 lists the marital status of respondents. A total of 24% of the respondents reported they were single, 47% were married, 14% were divorced, 0.5% were separated, and 11% were widowed. The proportion of married respondents is highest in Mounds View (72.7%) and lowest in Lyndale (37.9%). Only 14.7% of Mounds View respondents were single, compared to 33.5% in Lyndale.

Table 5. Marital Status of Respondents

What is your marital status?	
Single	101 (24%)
Married	199 (47%)
Separated	2 (.5%)
Divorced	60 (14%)
Widowed	48 (11%)
Other	5 (1%)

With respect to household size, more than half of the respondents (57%) reported that they live in small households of only one or two people (Table 6). Compared with respondents from the north side of Minneapolis, there were many fewer large households among respondents living near the replacement sites. Less than 12% of respondent households had

five or more people. Two-person households were the single largest group among respondents (32%). More than half of the responding households reported having no children (58%), and another third had one or two children. Comparisons across replacement sites indicate that respondents from Minnetonka reported the smallest average household size (2.28 persons) and the fewest number of children per household (0.43 children), while Lyndale had the largest average household size (2.74 persons). Chaska respondents had the greatest number of children per household (0.96 children).

Table 6. Respondents' Household Size and Number of Children Under Age 19

Household size		Number of children under age 19	
1	105 (26%)	1	243 (59%)
2	134 (33%)	2	59 (14%)
3	65 (16%)	3	70 (17%)
4	64 (16%)	4	40 (9%)
5	27 (6%)		
6 or more	16 (4%)		

The average age of the respondents is 48 years, with 24% of the respondents younger than 34 and 29% older than 55 (see Table 7). Slightly more than one-half (51%) of the respondents reported having some college education or higher, while only 8% had not finished high school. In our sample, the highest level of education was found in Minnetonka, where more than half of the respondents were had a college or advanced degree. In Chaska, only 19.2% of respondents had achieved this level of education. More than a third of the respondent households had an annual income greater than \$50,000, while 17% earned less than \$20,000 in 1998. There is a higher rate of respondents with income greater than \$60,000 in Minnetonka (43.9%) than in any other replacement area. Of the respondents from Minnetonka, 21.9% reported a total 1998 income of more than \$100,000. The same income group represented 2.9% of respondents in Lyndale, 3.4% in New Hope, 7.6% in Mounds View, and 5% in Chaska (Tables 8 and 9).

Table 7. Age of Respondents

Respondent's age	
0-24	21 (5%)
25-34	77 (19%)
35-54	184 (47%)
55 and older	125 (29%)

Table 8. Education Level of Respondents

Highest level of education completed	
Less than high school	14 (3%)
Some high school	21 (5%)
High school graduate	83 (20%)
Some technical school	36 (9%)
Technical school graduate	48 (11%)
Some college	84 (20%)
College graduate	95 (23%)
Postgraduate	34 (8%)
Other	3 (1%)

Table 9. Household Income Level of Respondents

Income before taxes	
Less than \$10,000	22 (5%)
\$10,000 to \$19,999	50 (12%)
\$20,000 to \$29,999	54 (13%)
\$30,000 to \$39,999	60 (14%)
\$40,000 to \$49,999	52 (13%)
More than \$50,000	149 (36%)

Respondents' Neighborhood Satisfaction

Suburban residents were asked a series of questions related to their sense of satisfaction with the neighborhood as a place to live, the general appearance of the neighborhood, and satisfaction with services in the neighborhood. Table 10 presents responses regarding overall satisfaction with the neighborhood. An overwhelming majority (78%) of the respondents reported being either somewhat or very satisfied with their new neighborhood. Respondents from Minnetonka reported the highest level of general satisfaction and Lyndale respondents reported the lowest. This difference is statistically significant ($p < .001$).

Table 10. Respondents' Level of Satisfaction with Relocation Neighborhood

Overall, how satisfied are you with the neighborhood?	
Very satisfied	175 (42%)
Somewhat satisfied	149 (36%)
Neither satisfied nor dissatisfied	43 (10%)
Somewhat dissatisfied	37 (9%)
Very dissatisfied	9 (2%)

Most respondents rated the general appearance of their neighborhood as “very good” (26%) or “good” (66%). Only 9% of respondents rated the appearance of the neighborhood “poor” or “very poor”(see Table 11). As with general satisfaction, Minnetonka residents gave the highest

Table 11. Respondents' Rating of General Appearance of Relocation Neighborhood

How would you rate the general appearance of your neighborhood?	
Very good	105 (26%)
Good	270 (66%)
Poor	32 (8%)
Very poor	5 (1%)

rating for the general appearance of their neighborhood and Lyndale residents gave the lowest. This difference is statistically significant ($p < .001$).

Respondents were also asked to rate their neighborhood as a place to live. More than a third (38%) of respondents rated their neighborhood as a very good place to live, more than half (53%) rated it good, and only 8% rated it a poor or very poor place to live (see Table 12). Again, Minnetonka respondents gave the highest rating for the neighborhood as a place to live while Lyndale residents gave the lowest. This difference is statistically significant ($p < .001$).

Table 12. Respondents' Rating of Relocation Neighborhood as a Place to Live

How would you rate your neighborhood as a place to live?	
Very good	157 (38%)
Good	220 (53%)
Poor	30 (7%)
Very poor	5 (1%)

Table 13 presents responses to questions related to respondents' satisfaction with specific services available in their neighborhood or with other specific aspects of the neighborhood. The items with the highest reported level of satisfaction are those related to size, cost, and quality of homes; playgrounds and parks; and neighborhood safety. The lowest reported levels of satisfaction are for childcare available in the neighborhood and public transportation. The differences reported between neighborhoods are statistically significant for several

Table 13. Respondents’ Level of Satisfaction with Neighborhood Characteristics

Rate your level of satisfaction with the following aspects of your neighborhood:	Very satisfied	Satisfied	Neither satisfied nor dissatisfied	Dissatisfied	Very dissatisfied	Mean
Public transportation	51 (13)	140 (34)	153 (37)	44 (11)	20 (5)	2.6
Schools	72 (18)	175 (43)	115 (29)	29 (7)	12 (3)	2.3
Safety	76 (19)	237 (58)	62 (15)	28 (7)	7 (2)	2.2
Racial makeup	38 (9)	211 (52)	132 (32)	24 (6)	4 (1)	2.4
How near you live to your friends	44 (11)	196 (48)	117 (29)	41 (10)	6 (2)	2.4
Available childcare	37 (9)	91 (23)	250 (64)	10 (3)	4 (1)	2.6
Grocery stores	66 (16)	217 (52)	52 (12)	63 (15)	19 (5)	2.4
Playgrounds and parks	87 (21)	212 (51)	77 (18)	34 (8)	5 (1)	2.2
Size of home/apartment	98 (23)	239 (57)	31 (8)	46 (8)	3 (1)	2.1
Cost of home/apartment	87 (21)	227 (55)	46 (11)	47 (11)	8 (2)	2.2
Quality of home/apartment	104 (25)	217 (52)	49 (12)	41 (10)	7 (2)	2.3

Note: Figures in parentheses are row percentages. The lower the mean response, the greater the level of satisfaction.

characteristics, including public transit ($p < .001$), quality of schools ($p < .001$), safety ($p < .001$), racial makeup ($p < .05$), how near respondents live to friends ($p < .01$), grocery stores ($p < .001$), and playgrounds and parks ($p < .01$). Lyndale has the lowest reported levels of satisfaction with all of these characteristics except for public transportation. Residents from Minnetonka and Chaska were the most satisfied of the respondents from the five neighborhoods surveyed.

Safety

Another important indicator of how residents feel about their communities is their reported sense of safety. We asked several questions about the general feelings of safety, safety in specific areas, and about how strongly they feel about certain crime problems.

The vast majority of respondents reported that they feel safe (56%) or very safe (34%) in their neighborhood (see Table 14). Only one-tenth of respondents reported that they feel unsafe or very unsafe in the neighborhood. As with satisfaction, the respondents from Minnetonka had the highest feeling of safety and Lyndale residents the lowest. This difference is statistically significant ($p < .001$).

When questioned in greater detail, about one-third (33%) of respondents reported that they felt very safe and more than half (51%) felt safe on their neighborhood’s streets during the day. Concerning their feelings of safety at night on the streets near their home, 16% reported feeling very safe and 54% safe. People reported they felt less safe on the streets near the neighborhood school, with 13% of respondents saying they

Table 14. Degree of Safety in Relocation Neighborhood

Overall, how safe do you feel in your neighborhood?	
Very safe	141 (34%)
Safe	230 (56%)
Unsafe	36 (9%)
Very unsafe	8 (2%)

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felt very safe and 54% safe (see Table 15). These responses represent a much higher level of perceived safety than was reported on the north side of Minneapolis. On all of these measures, respondents from Lyndale reported a much lower feeling of safety than residents of the other neighborhoods, and the difference is statistically significant ($p < .001$).

Similar to the survey results from north Minneapolis, respondents in suburban neighborhoods reported that their greatest concerns were noisy neighbors and litter and garbage on the streets and sidewalks, with 15 to 20% of respondents considering these to be major or moderate problems (Table 16). Other issues such as graffiti or writing on wall, abandoned buildings, people drinking alcoholic beverages in public, drug dealers or drug users, vandalism, run-down properties, and racial intolerance or discrimination were not major concerns; less than 15% of respondents regarded these issues as major or moderate problems. On all of these measures, Minnetonka residents reported the lowest level of problems and Lyndale residents the highest. The difference is statistically significant ($p < .001$).

Confidence

The third set of beliefs and behaviors examined by the survey were those related to respondents’ sense of confidence in the neighborhood. The majority of respondents reported that

Table 15. Responses to Other Questions about Relocation Neighborhood Safety

Where you live now, how safe are the streets...	Very safe	Safe	Neither safe nor unsafe	Unsafe	Very unsafe	Mean
near your home during the day?	139 (33)	215 (51)	41 (10)	17 (4)	6 (2)	1.9
near your home at night?	68 (16)	227 (54)	78 (19)	26 (6)	18 (4)	2.3
near your neighborhood school?	51 (13)	217 (54)	100 (25)	26 (6)	6 (2)	2.3

Notes: Figures in parentheses are row percentages. The lower the mean response, the greater the feeling of safety.

Table 16. Degree of Relocation Neighborhood Problems

In your neighborhood, how much of a problem are the following...	Major problem	Moderate problem	Minor problem	Not a problem	Mean
Graffiti or writing on the walls	7 (2)	25 (6)	100 (43)	285 (68)	3.6
People drinking alcohol in public	13 (3)	24 (6)	101 (24)	278 (64)	3.5
Drug dealers or users	20 (5)	37 (9)	92 (22)	262 (64)	3.5
Abandoned buildings	17 (4)	20 (5)	58 (14)	319 (77)	3.6
Litter and garbage on streets	31 (8)	48 (12)	127 (30)	210 (50)	3.2
Vandalism	17 (4)	43 (10)	145 (35)	211 (51)	3.3
Yards not taken care of	23 (6)	47 (11)	149 (36)	148 (47)	3.2
Run-down properties	24 (6)	54 (13)	131 (31)	223 (54)	3.5
Noisy neighbors	23 (6)	54 (13)	119 (29)	220 (33)	3.3
Racial intolerance or discrimination	3 (1)	28 (7)	76 (18)	307 (74)	3.7

Notes: Figures in parentheses are row percentages. The lower the mean response, the greater the perceived problem.

they were very confident or somewhat confident that their neighborhood would be a nice place to live in the next five years (Table 17). About 32% of respondents were very confident and 49% were somewhat confident. At the same time, nearly a fifth of the respondents indicated that they were either not very confident (14%) or not at all confident (4%). Respondents from Lyndale reported a much lower level of confidence about their neighborhood than residents from the other four communities, while respondents from Minnetonka were the most confident. This difference between neighborhoods is statistically significant ($p < .001$).

Table 17. Respondents' Level of Confidence about the Neighborhood

How confident are you that your neighborhood will be a nice place to live in the next five years?	
Very confident	133 (32)
Somewhat confident	204 (49)
Not very confident	60 (14)
Not at all confident	16 (4)

As can be seen in Table 18, two-thirds of the respondents felt that their neighborhood property values were increasing a lot (24%) or a little (42%). This shows awareness of the market trends that were discussed earlier in this report, which are also part of the respondents' sense of confidence in the area. Only 6% felt that values were decreasing. The results from suburban communities are similar, while respondents from Lyndale felt less optimistic about their neighborhood's property values. However, the difference is not statistically significant.

Table 18. Respondents' Feelings about Relocation Neighborhood Property Values

How much are property values changing in your neighborhood?	
Increasing a lot	98 (24)
Increasing a little	176 (42)
Staying about the same	54 (13)
Decreasing a little	11 (3)
Decreasing a lot	11 (3)

The majority (61%) of the respondents thought the neighborhood was staying about the same as a place to live. A quarter of respondents thought the neighborhood was getting to be a much better (7%) or a somewhat better place to live (19%). Twelve percent thought it was getting somewhat worse or much worse (Table 19).

Table 19. Respondents' Feelings about Neighborhood Change

Is your neighborhood getting to be a better or worse place to live?	
Much better	30 (7)
Somewhat better	79 (19)
Staying about the same	254 (61)
Somewhat worse	43 (10)
Much worse	8 (2)

An alternative way to measure residents' sense of confidence in the neighborhood is to measure the degree to which they have made improvements in their own properties in recent years. Among all the homeowner respondents, 46% reported having made major improvements to their house during the last two years, and 46% had plans to do so in the next two years. This suggests an average level of commitment to the neighborhood. About one-fifth (19%) of the respondents reported that they planned to move in the next year, and an additional 14% were not sure if they would stay. This level of planned mobility is normal

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for suburban communities. Among renters, more than a third (36%) planned to move in the next year, compared to only 12% of the homeowners.

Sense of Community

The psychological sense of community felt by neighborhood residents has been extensively studied and has been recognized as having extraordinarily important impacts on neighborhood changes. The concept has been measured in various ways. Nasar and Julian (1995) developed a method for testing the sense of community based on a simplification of previous methods. They argue that by asking a set of 11 questions, one is able to get a valid and reliable estimate of sense of community. We incorporated those 11 questions into the survey given to the residents near the replacement sites. We will report the answers to the individual questions as well as the data on the scale created from the 11 answers. There is little intrinsic interest in a respondent's individual score on the scale. Rather, what is of interest is whether these scores differ by community or by proximity to the replacement site, and whether they vary according to demographic attributes or vary over time.

Based on the answers summarized in Table 20, we created a summary measure of a respondent's sense of community by simply taking the average response to the 11 questions. A lower score represents a stronger sense of community. A summary of the sense of community is shown in Table 21.

The sense of community index is negatively correlated with whether or not respondents own their homes ($p < .01$). This indicates that homeowners have a stronger sense of community than renters. The sense of community index is also correlated with social capital (significant at $p < .001$; see the next section) and age of the respondent (significant at $p < .001$), and is not correlated with the distance from the replacement site. Minnetonka and Chaska respondents had a greater sense of community than respondents from the other three communities.

Social Capital

The sense of community index measures the degree to which residents identify with the neighborhood and the degree to which they sense a network of informal support among neighbors. This measure of the internal relationships among residents in a community is one index of social capital. Analysts have also measured social capital by examining the degree to which people join civic organizations or participate in civic duties. Our survey of relocated residents used four questions related to civic activities to determine the level of social capital in their suburban communities.

From the answers in Table 22, a summary measure of social capital was created by adding together the number of "yes" answers for each respondent. The average respondent participated in 1.6 of the four civic activities. The most common score on the index was 1, and most respondents scored 2 or less on the index. Among individual communities, New Hope residents had the lowest level of social capital (1.36) and Chaska residents the highest (1.79).

Table 20. Measures of Social Capital in Neighborhood and for Residents

Do you agree or disagree with the following statements about your neighborhood?	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree	Mean
I am quite similar to most people who live in this neighborhood.	27 (7)	198 (48)	117 (28)	56 (14)	14 (3)	2.6
If I feel like talking, I can generally find someone in this neighborhood to talk to right away.	51 (12)	157 (38)	98 (24)	84 (20)	21 (5)	2.7
I care whether this neighborhood does well. [†]	212 (51)	149 (36)	31 (8)	14 (4)	6 (2)	1.7
The police in this neighborhood are generally friendly.	75 (18)	207 (51)	99 (24)	17 (4)	8 (2)	2.2
People here know they can get help from others in the neighborhood if they are in trouble.	70 (17)	173 (43)	116 (28)	44 (11)	4 (1)	2.4
My friends in this neighborhood are part of my everyday activities.	27 (7)	61 (16)	120 (29)	144 (35)	49 (12)	3.3
If I am upset about something personal, there is someone in this neighborhood to whom I can turn. [†]	46 (11)	121 (30)	97 (24)	112 (27)	33 (8)	2.9
I have friends in this neighborhood on whom I can depend. [†]	81 (20)	159 (39)	85 (21)	64 (16)	21 (5)	2.5
If there were a serious problem in this neighborhood, people here could get together and solve it.	45 (11)	195 (48)	111 (27)	47 (12)	10 (2)	2.5
If someone does something good for this neighborhood it makes me feel good.	111 (27)	246 (60)	48 (12)	3 (1)	1 (0)	1.9
If I had an emergency, even people I don't know in this neighborhood would be willing to help.	61 (15)	198 (48)	113 (28)	30 (7)	9 (2)	2.3

Note: Figures in parentheses are row percentages. Responses ranged from 1 for strongly agree to 5 for strongly disagree.

[†] These questions were asked in the negative in the original survey to minimize patterned-response bias. The questions were reworded for this table, and answers were recorded to match the format for the rest of the items in the table.

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Table 21. Respondents’ Sense of Community, by Neighborhood

Sense of community	
Overall	2.4
Lyndale	2.7
New Hope	2.5
Mounds View	2.5
Chaska	2.4
Minnetonka	2.3

Table 22. Measures of Social Capital

Responded yes	
Did you vote in the last election?	319 (78%)
Are you a member of the local neighborhood association?	97 (12%)
Do you belong to a church, synagogue, mosque, or other place of worship that is located in your neighborhood?	176 (42%)
In the past six months, have you volunteered for any neighborhood event?	116 (28%)

Note: Numbers are the number of respondents reporting each of the items. Figures in parentheses indicate percentage of all respondents.

This difference is significant at the 90% confidence level ($p < .05$).

In order to see what type of people enjoy higher social capital, we tested the relationships between social capital and a number of other variables: distance from replacement housing site, length of residency, homeownership status, race, income, age, household size, education, and community of residence. The social capital index is positively correlated with homeownership status (significant at $p < .01$), the presence of children in the household (significant at $p < .001$), education level (significant at $p < .05$), and age (significant at $p < .001$). No racial group has significantly different levels of social capital compared to other racial groups.

Importance of Distance from the Replacement Site

This section considers whether any of the attitudes and behaviors examined in the previous section vary with how far the respondent lives from the replacement site. This is important to establish a baseline for examining the impact of the dispersal of public housing in future years.

A number of the demographic characteristics measured in the survey are related to distance from the replacement site. For the five communities overall, distance is positively correlated with the number of people living in the household (significant at $p < .05$) and level of education (significant at $p < .001$), and is negatively correlated with the age of the respondent (significant at $p < .05$). For individual communities, however, distance is not correlated with any of the demographic variables for residents in Lyndale, Mounds View, and New Hope. For Minnetonka, distance is positively correlated with the number of years the respondent has lived in their current home/apartment (significant at $p < .05$). For Chaska, distance is positively related to the number of people living in the household (significant at $p < .01$), the number of children under age 19 in the household (significant at $p < .05$), and the level of education of the respondent (significant at $p < .001$). There are no statistically significant differences among racial groups related to the distance the respondents live from the replacement site. The small number of minority respondents may reduce the reliability of this statistic.

For the five communities overall, neither the question asking for overall satisfaction with the neighborhood, nor any of the other 26 additional questions related to satisfaction (with the quality or location of neighborhood services and amenities) are statistically correlated with the distance from the replacement sites. With respect to individual communities, there is a correlation between distance and some satisfaction measures for respondents from Chaska and Minnetonka. In Chaska, respondents living closer to the replacement site were likely to have lower satisfaction with the safety (significant at $p < .05$) and racial makeup ($p < .01$) of the neighborhood. In Minnetonka, respondents living closer to the replacement sites were less satisfied with grocery stores in the neighborhood (significant at $p < .01$).

Overall, none of the questions about respondents' sense of safety is statistically related to their distance from the replacement site. However, there was some variation among individual communities. In New Hope, distance is negatively correlated with reports of problems with litter on streets and sidewalks (significant at $p < .05$). In Lyndale, distance is positively related to reports of problems with drug dealers or drug users ($p < .01$) and abandoned buildings (significant at $p < .01$). No safety measures are significantly correlated with distance in Mounds View, Minnetonka, and Chaska.

We also asked respondents several questions about their sense of confidence in the future prospects of the neighborhood, as well as whether they have made or plan to make improvements to their homes. For the five communities overall, respondents are more likely to have plans to make home improvements as distance from the replacement site increases (significant at $p < .01$). In New Hope (significant at $p < .05$) and Minnetonka (significant at $p < .05$), residents living near the replacement site are more likely to have made major home improvements during the past two years. In Mounds View, respondents living near the replacement site reported a greater increase in property value (significant at $p < .05$). In Chaska, residents living closer to the replacement site are less likely to have a plans to make home improvements during the next two years (significant at $p < .05$). In Lyndale, none of the answers to these questions was related to the distance of respondents from the replacement site.

Finally, we examined whether respondents' psychological sense of community and their scores on the social capital index were related to distance from the replacement site. Distance is positively correlated with the social capital index for the five communities overall (significant at $p < .05$), but no significant correlation was found for individual communities.

Multivariate Analysis

In this section, we attempt to determine whether any of the demographic attributes of respondents is related to satisfaction, sense of safety, neighborhood confidence, psychological sense of community, or social capital. A multivariate analysis makes it possible to test for the impact of one attribute on a second attribute, while controlling for all other attributes. For example, one can determine whether older respondents are more or less satisfied than

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younger ones, controlling for sex, race, community of residency, housing tenure, etc. In the analysis that follows, the *dependent variables* are (1) the answers to the question about overall neighborhood satisfaction, (2) the answers to the question about overall sense of safety, (3) the answers to the question about what kind of place to live the neighborhood will be in the future, (4) the respondents' scores on the sense of community index, and (5) the respondents' scores on the social capital index. We attempted to explain the variation in those dependent variables by including the following explanatory (or independent) variables in our statistical models: age, marital status, length of residency in the neighborhood, community of residence, race, education, household income, whether the respondent has children, household size, whether the respondent is a homeowner, and the distance the respondent lives from the replacement site.

Homeownership (significant at $p < .01$), the number of years the respondent has lived in their current home/apartment (significant at $p < .05$), the age of the respondent (significant at $p < .05$), whether the respondent is black (significant at $p < .05$), and community of residence (significant at $p < .001$) were all found to be correlated with neighborhood satisfaction. Lyndale served as the baseline community, and the four suburban communities all had significantly higher levels of satisfaction than Lyndale (significant at $p < .001$). The relationships indicate that suburban residents, homeowners, senior residents, residents with a short term of residency, and African American respondents have the highest level of satisfaction with the neighborhood (adjusted $R^2 = .17$). The low number of African American respondents in the sample (9 out of 491 respondents) may reduce the reliability of this measure.

The equation predicting respondents' sense of safety produced similar relationships. Again, homeownership status was associated with sense of safety, (significant at $p < .001$), but so were the community of residence (significant at $p < .001$) and whether the respondent was Black (significant at $p < .01$; adjusted $R^2 = .31$). Respondents from all four suburban communities reported higher feelings of safety than those in the Lyndale area. The data show that homeowners, suburban residents, and African American respondents feel safer in their neighborhood. Again, the low number of African American respondents may skew the results.

The multivariate analysis of neighborhood confidence showed that the number of years the respondent has lived in their current home/apartment (significant at $p < .01$), homeownership status (significant at $p < .01$), and the community of residence (significant at $p < .001$) were statistically correlated with the general feeling of confidence (adjusted $R^2 = .16$). Respondents from all four suburban communities reported higher levels of confidence than those respondents in the Lyndale area. Suburban residents, homeowners, and residents with a short term of residency reported the highest level of confidence about their neighborhood.

The regression analysis for respondents' sense of community shows that homeownership status (significant at $p = .05$), whether the respondent lives in Minnetonka (significant at $p < .05$) or Chaska (significant at $p < .001$), and the age of the respondent (significant at $p < .001$) are

statistically correlated with the sense of community index. Older residents, residents from Minnetonka and Chaska, and homeowners have the highest sense of community (adjusted $R^2 = .13$).

The social capital regression analysis reveals four variables that are statistically associated with higher levels of social capital: level of education (significant at $p < .001$), whether the respondent has children (significant at $p < .001$), age of the respondent (significant at $p < .001$), and homeownership (significant at $p < .01$). Respondents with higher education, families with children, older residents, and homeowners score higher on the social capital index (adjusted $R^2 = .20$).

Table 23 presents the correlation matrix for the five substantive dimensions of neighborhood attitudes examined in this report. There is a statistically significant correlation between most pairs of variables.

Summary

Two general findings are worth noting. The first is that homeownership is an important factor in determining the level of neighborhood satisfaction among residents of the replacement neighborhoods. It distinguishes between respondents on their overall degree of neighborhood satisfaction, sense of safety, neighborhood confidence, sense of community, and level of social capital. It is consistently important across all of the substantive items analyzed here. The second finding worth emphasizing is that, as in the bivariate analysis reported earlier, the distance a respondent resides from the replacement site makes little difference for any of the items studied. Those who live farther away from the replacement sites are no more or less satisfied than those who live closer to the sites, they feel no more or less safe, they are no more or less confident in the neighborhood, and they show no greater or lesser levels of sense of community and social capital.

These two findings provide important baseline information for comparative studies of the long-term effects of public housing replacement on suburban communities.

Table 23. Correlation between Five Substantive Measures for the Relocation Communities

	Social Capital	Sense of community	Neighborhood confidence	Sense of safety
Level of satisfaction	.12 *	.43 ***	.58 ***	.59 ***
Sense of safety	.09	.35 ***	.58 ***	
Neighborhood confidence	.03	.39 ***		
Sense of community	.33 ***			

* $p < .05$, *** $p < .001$

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