HOLLMAN v. CISNEROS

Deconcentrating Poverty in Minneapolis

Report No. 7:
Mobility Certificates

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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

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 nonconcentrated 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

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 rates[2] 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

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

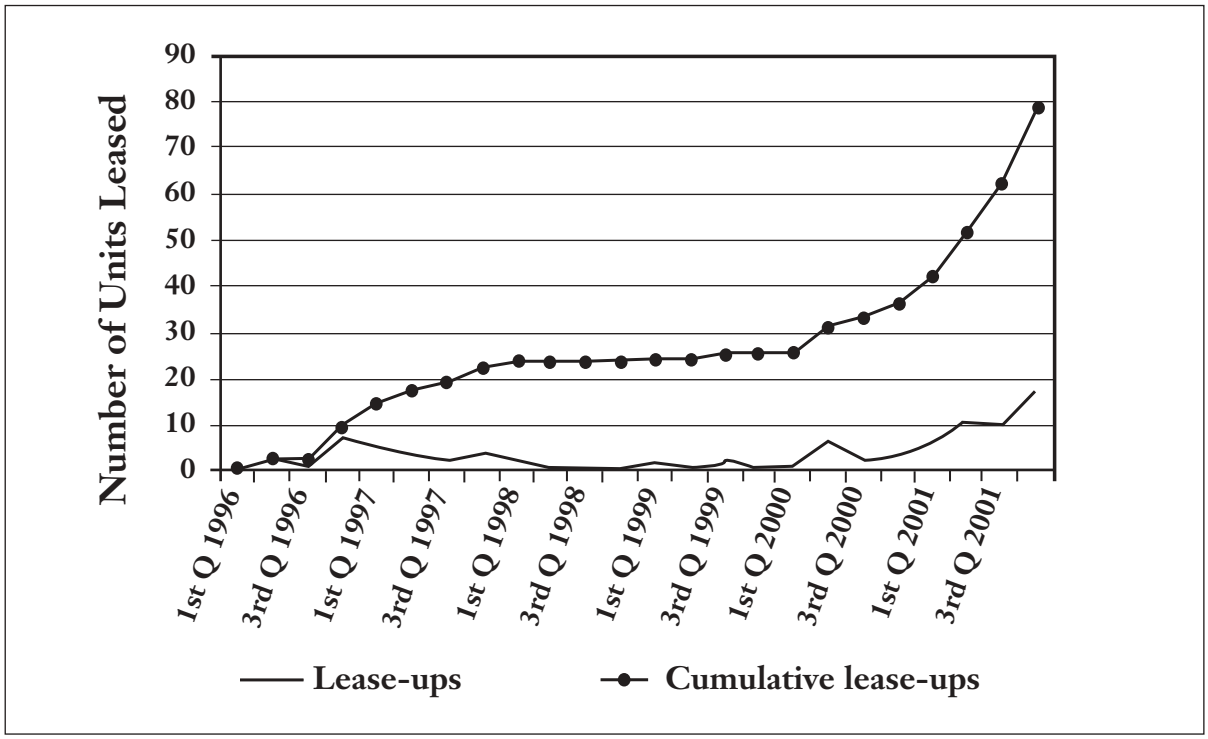

Figure 2. Special Mobility Program Lease-Up Rates by Quarter, 1996–2001

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

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)
n	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.

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

	Race/ethnicity				Single Parent		Household Size		
Preferred location	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 overrepresented 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.

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 difference 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

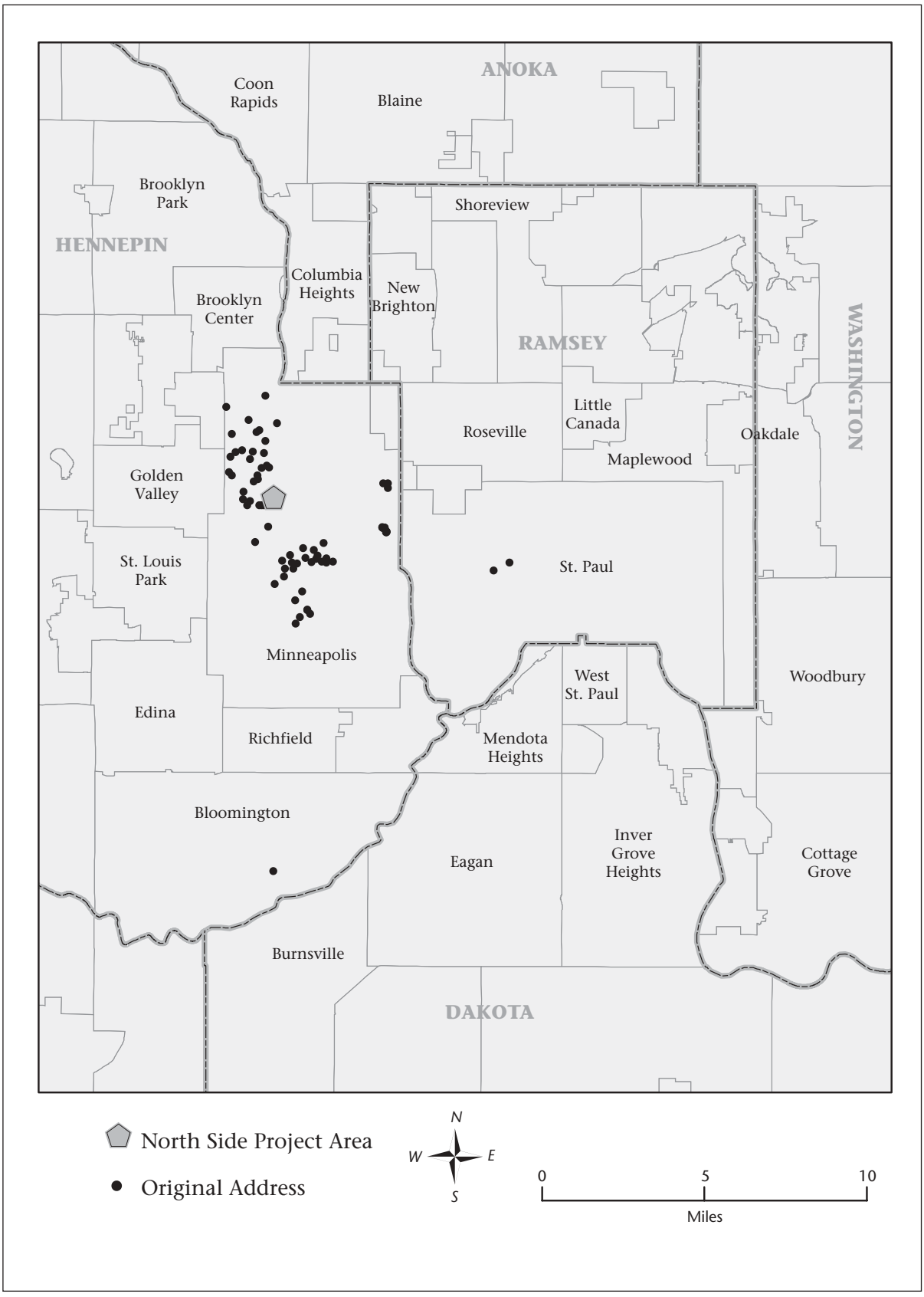

Figure 3. Pre-Move Addresses of Special Mobility Program Participants

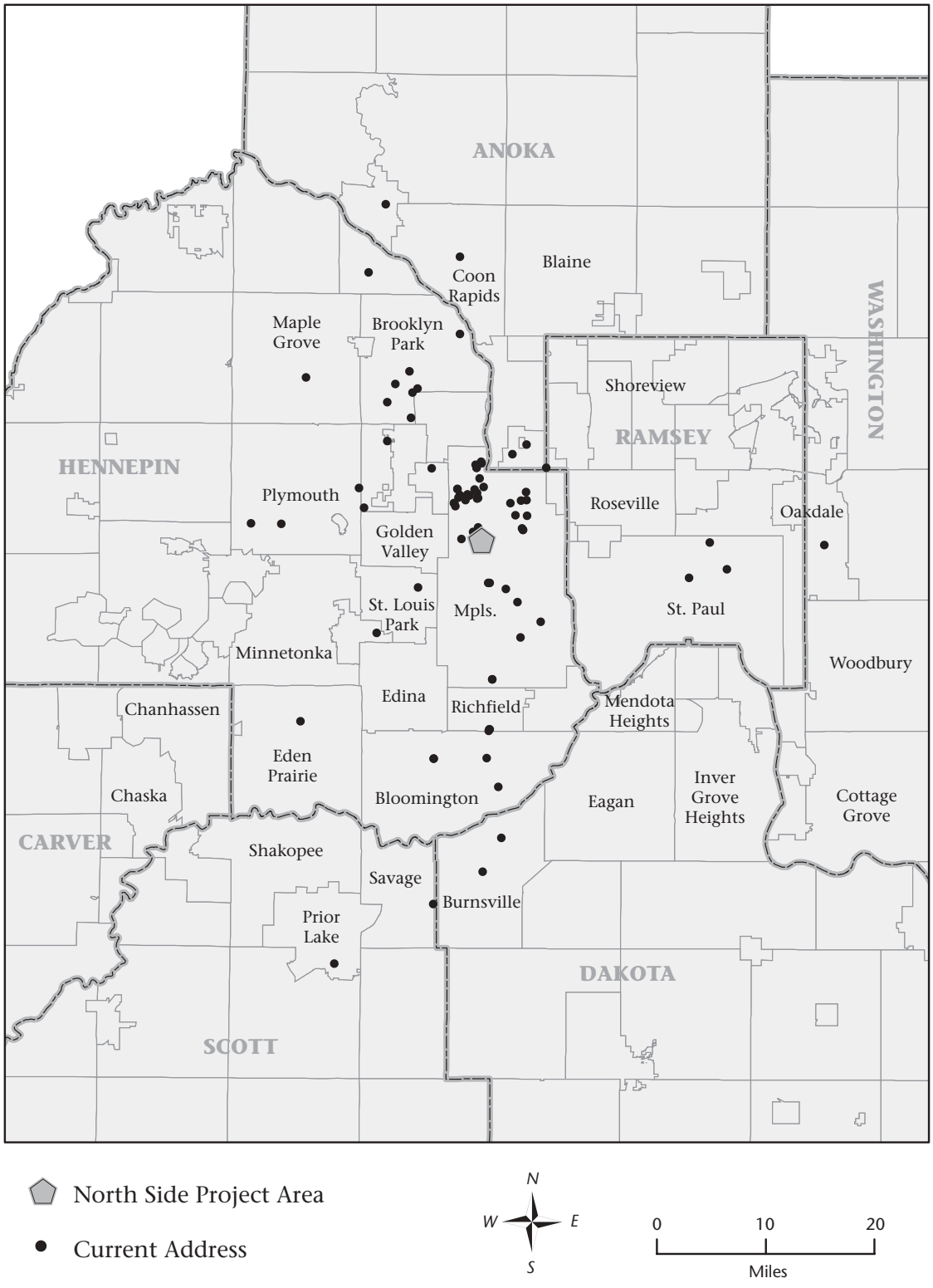

Figure 4. Post-Move Addresses of Special Mobility Program Participants

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
n	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

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

	Auto Ownership		Employment Status		Monthly Income		
Neighborhood profile	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
n	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
n	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

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 succeeding 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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