

TESTIMONY TO UNITED STATES HOUSE OF REPRESENTATIVES
COMMITTEE ON FINANCIAL SERVICES, SUBCOMMITTEE ON HOUSING AND
COMMUNITY DEVELOPMENT

HEARING ON
“LEGISLATIVE PROPOSALS TO PRESERVE PUBLIC HOUSING”

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Madam Chair Waters and Ranking Member Capito, thank you for the opportunity to provide testimony on the legislative proposals to preserve public housing. My colleagues, Drs Reid and Ruel, and I are currently conducting a longitudinal study of public housing relocation in Atlanta, GA.¹ We are following almost 400 residents and are currently conducting six-month post-move follow-up interviews. Our retention rate is 85 percent. As you and members of the committee may know in early 2007 the Atlanta Housing Authority (AHA) announced plans to eliminate the city's remaining traditional project-based family public housing stock as well as two public housing senior high-rises. Since then almost 10,000 public housing residents have relocated and over 3,000 units are currently in some phase of the demolition process. Seventy percent of the relocated residents qualified for a Housing Choice Voucher subsidy to private rental market housing, meaning that one out of three did not. Several of the families in our study who did not qualify for a voucher are residing in homeless shelters and others are staying with relatives. Unfortunately this may be representative of the outcomes of others who did not qualify for a voucher.

Because Atlanta's efforts fall under the current Section 18 requirements for demolition and disposition there are no immediate plans for replacement housing. This speaks to the crucial need for the proposed Public Housing One-for-One Replacement and Tenant Protection Act of 2010. As a recent report from the National Low-Income Housing Coalition details, there is a growing shortage of housing units affordable to families and individuals with very low incomes. Atlanta may be the first city to eliminate all of its project-based public housing but other cities such as New Orleans and Las Vegas are not far behind. Without the implementation of the proposed legislation to preserve public housing, the shortage of low income housing will only get worse.

We also hope that the proposed legislation will help prevent the further demolition of public housing senior high-rises and subsequent displacement of the senior residents. Most cities are renovating rather than eliminating this housing. In Atlanta the two senior high-rises

¹ The Georgia State (GSU) Urban Health Initiative is following 300 residents from six of the public housing communities earmarked for demolition including four family communities (Bankhead, Bowen, Herndon and Hollywood) and two senior high rises (Palmer and Roosevelt Houses). In addition, we are following 70 residents from Cosby Spear, a senior high rise currently not slated for demolition. The purpose of our study is to follow this cohort over time (with Cosby Spear as a comparison site) to examine how relocation impacts their lives: Do they end up in better neighborhoods and have improved living conditions? How is their health and overall well-being affected by relocation? Also See Oakley, Ruel, and Wilson, 2008; Oakley et al., 2010; Ruel, Oakley, Wilson and Maddox (*Forthcoming*); and <http://www2.gsu.edu/~wwwsoc/5756.html>

earmarked for demolition (Palmer and Roosevelt Houses) are not in high poverty areas. Additionally these buildings do not meet all the criteria for “severely distressed housing”²

We have found that the relocation process for seniors is especially difficult and stressful and many feel isolated in their new locations. In addition, only 29 percent of the seniors we interviewed prior to relocation expressed the desire to move. Relocation has been particularly hard on the seniors with chronic health conditions. Twelve seniors in our study have died since moving compared to only two in our comparison non-relocating public housing senior high rise. There were also needed community supports in the senior high rises that are not as readily accessible to the relocated seniors. As one 90 year-old lady who was relocated far from her social support networks and needed services told us, “This is the nicest apartment I’ve ever lived in and I can’t wait to get out. I just want to go back to Palmer House.”

Finally, we hope that the Moving to Work (MTW) sites, such as Atlanta and Philadelphia, are not exempt from any the requirements stipulated in the proposed amendments. The amendments should not be categorized as further regularity restrictions on PHAs.

Based on our analysis of the proposed Public Housing One-for-One Replacement and Tenant Protection Act as well as the proposed Public Housing Preservation and Rehabilitation Act, in what follows we provide section-by-section comments and highlight potential challenges to successful implementation. We also provide some concrete recommendations.

Amendment to Section 18: Demolition and Disposition of Public Housing

One-for-One Replacement. The proposed amendment states that for each public housing unit demolished or disposed after January 1, 2005 a comparable replacement unit must be provided. One-for-one replacement is crucial, particularly in cities with tight rental markets. Even in looser rental markets like Atlanta, the increased demand for low rent housing coupled with reductions in public housing units can lead to rent increases. In addition, complete reliance on voucher subsidies to private market rental units is risky for several reasons: (1) There have never been enough vouchers to meet the need. In large urban areas like Atlanta with burgeoning homeless populations and gentrifying neighborhoods there are long waiting lists; (2) Unlike

² Severely distressed refers to dilapidated, often largely vacant buildings that show the effects of poor construction, managerial neglect, inadequate maintenance, and rampant vandalism (Turner, Popkin, Kingsley, & Kaye, 2005). According to Turner et al. (2005), these developments typically have huge backlogs of repairs, including nonworking elevators, leaky pipes, old electric wiring, unstable walls, and pest infestations that create a poor and often unsafe living environment for residents.

project-based public housing, voucher subsidies do not guarantee that units will remain affordable for those with low incomes – land lords are only obligated on a year-to-year basis; and (3) because private market landlords choose to participate in the voucher program this does not guarantee equitable geographic distribution.

The case of Atlanta clearly demonstrates that the need to preserve public housing is crucial. Prior to relocation we asked residents why they moved into public housing in the first place. Fifty-eight percent said they entered public housing because it was the only affordable option. Another 36 percent said they ended up in public housing because of some kind of hardship including job loss, a chronic health issue, or family dissolution. In addition, 18 percent of families and 22 percent of seniors reported that public housing was an improvement of their previous housing situation. These findings suggest that public housing serves as an important source of low-income housing when residents have no other options. In other words, public housing serves as a needed safety net. Now that public housing is being eliminated in Atlanta, this safety net is gone. Where will very poor families and individuals facing hardships go in the future? Aside from staying with family and friends, one of the only other options will be emergency homeless shelters, facilities that are already overburdened, or substandard housing. In addition, without public housing there will be a greater demand for voucher subsidized housing and longer waiting lists.

One potential challenge to successful implementation of one-for-one replacement is that it will require increased oversight on the part of HUD, particularly because the amendment requires replacement housing for units demolished since 2005. What safeguards will be implemented by HUD to ensure compliance for those housing authorities that did not expect to have to replace all the units demolished? In addition, some of the land on which public housing was located may have already been sold or land swapped. For example, current plans for the two public housing senior high-rises slated for demolition in Atlanta are to land swap them. This means that the proposed on-site rebuilding of at least one-third of the units can not be met.

In addition, some cities have experienced local opposition to on-site replacement. For example, in Galveston, Texas, the PHA decided to implement on-site replacement of all the units destroyed by Hurricane Ike. This decision was based on a number of factors including costs, access to jobs and services, and displaced resident input. However, this plan has been met with persistent local opposition presenting numerous obstacles for its implementation.

Another potential challenge concerns the off-site replacement housing. The proposed amendment allows for location of up to two-thirds of the replacement housing units in other low poverty areas within the jurisdiction of the PHA. PHAs are likely to come up against local opposition in low poverty areas. This increases the potential that this replacement housing will be located in other poor, segregated neighborhoods. In low-density cities such as Atlanta there is also the potential that this replacement housing will end up in remote areas of the city where public transportation is not readily accessible. We have found that over 80 percent of the residents in our study are dependent on public transportation and that this factor played an important role in where they chose to relocate. Therefore it is likely that this will play an equally important role in whether or not residents choose to move to off-site redevelopments. We recommend that specific language be added to the amendment requiring off-site housing to be in reasonable proximity to public transportation.

Maintaining Rights of Public Housing Residents. The proposed amendment states that displaced public housing residents, regardless of the type of housing to which they relocate, will continue to be protected by public housing statutes regarding grievance procedures, housing quality, tenant participation, resident management, as well as ineligibility of dangerous sex offenders, and certain drug offenders. In Atlanta all of these protections are currently being met *except* tenant participation. Each public housing community's resident association was disbanded upon relocation and subsequent demolition. While there continues to be a Jurisdiction-Wide Resident Advisory Board, those residents relocated with a voucher are not invited to participate.

Yet, a post-relocation resident association could serve as an important support vehicle for relocated residents as they negotiate the private rental market. For example, while the majority of the residents in our study who qualified for a voucher like their new homes, the increases in living expenses have added an unanticipated financial strain. Much of the increased costs concern utility payments. This is particularly bad in Atlanta because landlords typically pass on the cost of water and sewage to the tenants. The utility allowance that relocated residents receive does not come close to the monthly costs. This puts many residents in a precarious position: if they get behind on their utilities, they will lose their voucher. A post-relocation residents association could facilitate a dialogue with the housing authority as well as serve as a mechanism for distributing information about assistance (e.g., such as how to file a water bill complaint).

Residents in our study also report decreases in both the formal and informal supports they received while residing in public housing. The formal supports included bi-monthly on-site food pantry distribution and, for seniors, the free supermarket bus. Informal supports included childcare and the sharing of other in-kind resources. The loss of these supports has added to post-move increases in living costs. A post-relocation resident association could help residents maintain some of these supports after they move. For example, a post-relocation resident association could coordinate with local food pantries to make deliveries to a central location that residents can access via public transportation.

Right to Return. The proposed amendment states any person who occupied a public housing unit and whose tenancy or right of occupancy has not been validly terminated is eligible to occupy a replacement housing unit. The proposed amendment also states that PHAs or any other manager of replacement housing units are prohibited from imposing additional eligibility requirements. This is a much needed amendment because many PHAs contract out management of replacement housing to private property management firms that have added eligibility requirements.

However, it is unclear in the proposed legislation what mechanisms PHAs must implement to keep displaced residents informed regarding the status of the replacement housing. HOPE VI initiatives have typically placed the responsibility of staying in the system (i.e., waiting lists updated annually) throughout the redevelopment process on the residents themselves. When redevelopment takes more than five years many residents ‘give up.’ This has frequently been interpreted in policy circles as residents being happy in their relocated homes without any substantiation that this is indeed the case. Thus, this section of the amendment should include stipulations requiring PHAs to have comprehensive, proactive plans to keep relocated residents, who wish to occupy the redevelopments, informed throughout the redevelopment process. In addition, these plans should not assume internet access among the displaced residents.

Tenant Notification. The amendment has specific requirements concerning resident notification of demolition and disposition, including residents’ right to return, availability of replacement housing units, and the collection of information from the residents regarding desired relocation destinations. This section of the amendment should require PHAs to submit a comprehensive plan to HUD for approval concerning tenant notification prior to submitting a

demolition application. No information concerning residents' desired relocation destinations was collected by the AHA prior to the recent Section 18 demolition application submissions. Instead, the AHA distributed self-addressed stamped postcards requesting that public housing residents fill in their name and address and indicate whether they support the demolition initiative and wish to receive a voucher. The AHA then reported to HUD that 96 percent of the residents supported the demolitions and wished to receive a voucher.

Relocation and Tenant Protections. The proposed amendment states that PHAs will be required to submit a detailed relocation plan to the HUD Secretary. While this is indeed necessary, thorough oversight from HUD will be needed to ensure that PHAs carry out these relocation plans as stated. In addition, the provision of relocation counseling needs to be spelled out in far more detail because previous research has consistently documented that such services have been inadequate. For example, although Chicago Housing Authority included provisions in its HOPE VI relocation plan during the 1990s for relocation counseling, such services proved less than adequate.³ It took the threat of litigation for the CHA to mandate smaller caseloads and other reforms. In Atlanta, the residents in our study complained about lack of access to relocation counselors as well. This primarily had to do with the large number of families and individuals being moved in such a short period of time. As one resident said, "It really wouldn't have been so bad if they (AHA) weren't trying to move all of us at once."

Fair Housing. Research concerning public housing situated in large Midwestern, Northern, and Southern cities has consistently demonstrated that such housing ends up in very poor, predominantly African American neighborhoods. In the case of Yonkers and Chicago, such siting led to Fair Housing litigation. Ironically, the fact that public housing is typically located in poor African American neighborhoods is frequently cited as a reason for tearing it down. The question then becomes whether or not relocation results in residents ending up in more racially integrated neighborhoods. The answer has been repeatedly a resounding "no." Research -- including ours -- has consistently shown that while former public housing residents relocated with vouchers end up in neighborhoods that are less poor, these areas are still poor and they are still very segregated.⁴ In fact, in our study we find evidence of geographic clustering in

³ See Cunningham & Popkin, 2002; Venkatesh & Celimli, 2004; Cunningham & Sawyer, 2005.

⁴ See Goetz, 2002 and 2003; Popkin et. al., 2004; Harris and Kaye, 2004; Oakley and Burchfield, 2009; Oakley et al., 2010.

segregated neighborhoods. Yet despite this consistent finding, Fair Housing cases have been dismissed in both Atlanta and New Orleans, mainly because these cities have very large African American populations to begin with and therefore this lessens the opportunity to move into a more integrated neighborhood within the city limits. It should be noted, however, that the racial composition of Atlanta and New Orleans has shifted over the last five years with a decrease in the black population and an increase in the white population within the city limits. One has to wonder if public housing demolition and the subsequent higher-end residential redevelopment have something to do with these trends.

Public Housing Preservation and Rehabilitation Act of 2010

The proposed legislation primarily concerns the financing of public housing rehabilitation and energy efficiency. Our only comment on this is that there needs to be specific stipulations about what income levels rehabbed units are set at; in other words, rent costs for the majority of units should be set at the very low income levels of current public housing residents, most of whom live below the federally-established poverty threshold. In short, “affordable” can refer to a range income levels which can sometimes be beyond those living at or below the poverty line. For example, the AHA states that they are providing more affordable housing now than they did in the early 1990s prior to the implementation of public housing transformation policies. But this does not necessarily mean that they are providing more housing for those families and individuals at or below the poverty threshold. Consequently, specific language regarding income level requirements of new or rehabbed public housing needs to be more clearly spelled out in the legislation.

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