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RESPONSE

People and Place in Low-Income Housing Policy

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The articles in this forum appearing in *Housing Policy Debate* help update the evidence on two key housing policies and help frame the broader issues. The title of this focus issue, *People AND Place*, captures two key points raised in the articles but which are worth repeating as they are themes of the Department of Housing and Urban Development's (HUD) approach to our housing policy and more broadly.

First, housing policy is a both/and, not either/or proposition: people *and* place in terms of housing policies to support access to better places *and* policies to improve the places where low-income people live. Second, people *and* place is an acknowledgment that the ultimate goal of each approach is to foster better outcomes for *people*, with explicit recognition of the role and importance of *place* in shaping their opportunities, and life outcomes. This is true for all approaches, not just those that have been labeled place based.

Broadly, the articles and discussions (a) lay out what we know about housing policy impacts on people and places, with a focus on two of the largest federal policies; and (b) ask what might be the most fruitful way of framing and moving the people and place conversation forward? I am going to thread a bit between the articles to focus on five points.

On what we know:

We Need to Evaluate the Impacts of Housing Policy by Neighborhood Context, Defined as Opportunity Versus Distress Consistent With Distinct Policy Goals

Dillman, Horn and Verrilli's article (this issue) makes this key point and it is exactly right. Our housing policies have different goals in these diverse neighborhood contexts, and we have different theories of change about how our policies might affect the surrounding places. I think this is important, and want to push it further, unbundling the places and policy pairings even more than the authors currently do—as not all housing within a broad neighborhood type necessarily has the same goal, and therefore the same aspired impact. In particular, I will focus on the use of the Low-Income Housing Tax Credit (LIHTC) in distressed neighborhoods, not all of which is actually aimed at revitalization.

To be concrete, let me use an example from how Pennsylvania's Housing Finance Agency, that state's allocating agency for LIHTC, is handling the multiplicity of goals within LIHTC.

Their scoring of applications includes points for developments that are meant to contribute to community revitalization. This includes points for an approved public community revitalization plan, and points for showing there is investment beyond the tax credits themselves, because usually we would *not* expect neighborhood revitalization purely from a housing investment.

Although Qualified Census Tracts (QCT)[1] are areas that would be classified as distressed, not all applications in QCTs get these points, since revitalization might not be the goal. One alternative goal in the use of tax credits is the preservation of existing affordable housing that is at risk of loss, and more of this stock is located in distressed areas. But there are additional goals beyond preservation that may apply to specific developments.

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Research on neighborhood impacts bundles developments in QCTs together. Granted, data limitations may drive that choice. But from a federal perspective, learning more about distinct effects within this bundle is very important for our policy decisions. In particular:

- When housing investments in high-poverty neighborhoods are more intentional about revitalization—requiring proof of planning and the leveraging of additional resources (two best practices taken from the community development field)—do we see evidence of greater neighborhood impacts?
- There is wide variation across states on how the federal requirement to prioritize applications for developments within QCT and with concerted community revitalization plans (Ellen, Horn, Kuai, Pazuniak, & Williams, 2015) is interpreted. Can we exploit the variation in practices across and within states—those being more intentional versus those not—such that the housing investments we do make in high-poverty neighborhoods are more effective at achieving the chosen goals?

In terms of the preservation goal, it is worth noting there is not only the overarching goal of retaining existing stock, but there is also potentially the site-specific goal of protecting tenants of existing assisted housing from the loss of their housing. This leads to my second point.

The Goal of Housing Policy Is, First and Foremost, About Providing Housing

Owen's article (this issue) notes that there are two goals of vouchers: first, to provide access to better neighborhoods; and second, the housing benefit itself. I would reverse these, as clearly the first goal is the provision of affordable housing. I would also broaden the (now) second goal to providing choice—including improved access to better neighborhoods.

Why, and Does This Matter?

A recasting of the goals highlights a few points for me. The first point relates to how we assess our progress on these goals. Given the usually precarious housing situations new voucher recipients are in when they enter the program, and all we are learning from qualitative work on their searches (Deluca, 2014), my theory of change on how vouchers might meet each goal has different timelines, with achieving affordable housing much more immediate than any improvements in neighborhoods. Cross-sectional assessments of the locations of all voucher households, including those who have just received vouchers or those who voucher in place, may not be that helpful in assessing the second goal of increased choice.

The goal of choice might be best assessed by examining changes in a voucher recipient's location over time. The Owens article (this issue) cites the limited research on this, and this work generally suggests limited or no improvements in neighborhoods for voucher recipients over time. It is worth noting that Schwartz, Ellen, Horn, and Cordes (2015) find that *moves* are toward better schools, and that while the effects are small, the likelihood of education improving moves peaks when quality of schools is most salient, just before the oldest child in the household is eligible for prekindergarten.

It is important to better align how we assess programs with our theories of how their goals are reached. This applies not only to academic researchers, but also to public agencies and to performance metrics. To that end, HUD is working on our capacity to incorporate a review of whether subsequent moves of voucher households lead to improvements in neighborhoods and nearby schools, as part of our internal assessment of the Housing Choice Voucher program.

My second point is also on goals and outcomes, and why the ordering matters. Some policy options for improving the locational outcomes of voucher recipients come with limits on voucher use, such as in the Moving To Opportunity (MTO) demonstration—which lower take-up rates; other options may require greater resources out of a fixed pie. To the extent that improving neighborhood outcomes for voucher recipients, the *second* goal of the program, is achieved at the expense of the *first* goal, providing affordable housing to as many of those in need as possible, we need to grapple with the very

real tradeoff. In a world of highly constrained resources and where HUD is unable to provide housing assistance to three quarters of those who are eligible, those tradeoffs can force policy decisions that do not always align with our dual goals.

Both articles emphasize that what we know matters, both for policy decisions and also for the public narrative that greatly shapes what is feasible in terms of implementation.

So I Want to Turn to That, the Framing, and Build From Pieces of Marge Turner's Discussion

For those who are unaware, Turner (this issue) is on a mission: (a) to bridge across the fair housing and community development fields that have historically not taken the both/and view (but that is changing); and (b) to help with a narrative and the elevation of actual policy spaces in which the interests of these two groups are clearly aligned.

She has some additional components of her mission, but I am going to focus on these two, as they are most relevant for this special issue. And also because if we do not succeed in getting these two stakeholder groups to have, if not a common agenda, at least overlapping and reinforcing agendas, we are not going to make the most out of this moment in time in which there is a much broader recognition of the importance of place in shaping life outcomes, and a policy setting in which to do something about it.

Stressing Interdependencies

Turner notes a feedback loop between distress in places of high minority or poverty concentration and barriers to areas of opportunity: (a) in the one direction, from perceptions of the distress and the fears that motivate the creation of barriers; and (b) in the other direction, potentially thwarting the gains of successful revitalization efforts by limiting where mobile residents can land without recreating areas of poverty.

I think this is brilliant. We need to make such interdependencies between the success of *people* and *place* strategies quite clear; it helps move us from a zero-sum perspective.

Here I would add some emphasis on the space in which I believe both groups can be more tightly aligned: securing affordable housing in neighborhoods that are already improving (possibly gentrifying).

As these flows have gotten larger, we desperately need to take advantage of the forces already generating neighborhood improvements to secure affordable housing in those locations and *not further perpetuate neighborhood cycles*. The strategic preservation of affordable housing in improving or improved places is perhaps the area of greatest need for innovative policy attention (Poethig and Johnson, 2015).

This is also a prime opportunity to engage both fair housing and community development advocates on an aligned agenda (Poverty & Race Research and Action Council, 2012, 2013).

Philanthropy (led by the Ford and Open Society Foundations) has engaged these two groups as part of a broad dialog on housing opportunity, community development, and civil rights over the past several years, including a specific focus on HUD's new rule on Affirmatively Furthering Fair Housing (AFFH) in the lead-up to its release. This dialog has greatly contributed to a more common view of a both/and approach.

Similar gatherings that include these groups, focused on the best practices for preserving affordable housing in hot markets and neighborhoods, might be an ideal next step, as a win–win. AFFH may be the right policy-enabling environment to help states and localities adopt the intentional practices that secure these improving areas as ones of inclusive opportunity.

AFFH in the Context of Developing a Portfolio of Decisions/Policies

Turner (this issue) suggests that developing citywide and regional strategies can help move us beyond the zero-sum approach of looking at individual investments to one of focusing on a strategic portfolio.

That is very much the aspirational intent of HUD's new AFFH rule: grantees are meant to look at the totality of issues their jurisdiction faces and provide a strategy that is appropriate and meaningful, in light of the issues identified through their assessment of fair housing. One of the mechanisms that *should* help with a both/and portfolio of decisions is the public engagement requirement, which is a critical component of the AFFH process. A second component is the provision of data, publicly available to all, with maps and tools that should enable places to have some common understanding of the current geography.

Within AFFH, but also for planning and policy decisions beyond it, my last point is that we need to:

Reach Beyond Housing

We not only need to link beyond the opportunities in the neighborhood as Turner notes, we need to push this conversation beyond housing. We are not going to succeed in substantially changing the landscape of opportunity solely through housing policy. We need to tap all the other levers that matter, and resources that are much larger than HUD's budget. Looking more broadly—not just at housing dollars—may also help fair housing and community development advocates move from a zero-sum view.

Here, I mean more than just thinking of the broad array of factors that affect quality of place. In addition, we should be asking: *For which policy sectors are existing segregated settlement patterns a problem, such that they might be motivated to make choices about their (nonhousing) resources that aid our goals?*

Two of the most promising levers are health and education.

The health field, particularly public health, already recognizes the importance of social determinants of health, which includes both the social and physical environments (Secretary's Advisory Committee, 2010). Improving health outcomes requires addressing conditions outside the scope of public health, and housing and community development policy is one avenue. One emerging mechanism to potentially align resources is via the Community Benefit provisions for nonprofit hospitals within the Affordable Care Act.

Nonprofit hospitals are required to conduct a Community Needs Assessment and to develop a plan to address the identified needs, and contributing to improving neighborhoods and housing is an action that could fall under the definition of social, economic, and environmental determinants of health.

For education, I would argue that the resegregation of schools in this country may have reached a point where it is difficult to improve performance in schools without addressing segregation (Reardon, Grewal, Kalogrides, & Greenberg, 2012). I believe there is recognition of this at the federal level and that recognition could motivate federal actors in the education field to engage on the issue, and use the context of AFFH to do so in a meaningful way.

For both health and housing, the ultimate goal of policies is to foster better outcomes for *people*, but both fields recognize the important role of place in shaping those outcomes. Even further, they recognize that to achieve their desired outcomes for people may require joining in collective efforts to improve places so that they better support opportunity for all.

The Broader Conversation About Place and Upward Mobility

This all comes at a time when recent research has brought to the forefront how *place* impacts upward mobility for *people* (Chetty, Hendren, & Katz, 2016). There is considerable variation by income and race in this country in the types of places households live, and that variation may perpetuate racial disparities. Changing the landscape of opportunity requires moving away from people versus place if we are going to make substantial progress in how places—all places—can better support access to opportunity for all people.

Note

1. Qualified Census Tracts are designated by HUD for the LIHTC program. Designated tracts have poverty rates of 25% or higher, or 50% or more of households have income at or below 60% of area median income. Designations are limited to tracts containing up to 20% of the metropolitan area population. When more tracts are eligible than may be designated, HUD designates the poorest tracts first.

Disclosure Statement

No potential conflict of interest was reported by the author.

Notes on Contributor

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