

Addressing Racial/Ethnic Segregation and the Concentration of Publicly Assisted Housing: Working Towards Policy Interventions

November 5, 2010

Action for Regional Equity (Action) recently released Nancy McArdle's report, *State-Assisted Housing and Rental Assistance in Massachusetts: Who Is Served and Where?*¹ Using newly available demographic data on residents in publicly assisted housing, McArdle highlights the concentration of publicly assisted housing in high poverty/low-opportunity communities. Addressing these concentrations not only will provide new opportunities for these residents to improve their lives, but is essential for changing long-term, regional patterns of racial and ethnic segregation.

Building on this report, this memo provides:

- A framework for Action and its partners to discuss possible policy interventions.
- A draft list of policy interventions, some of which are already supported by the Commonwealth of Massachusetts.
- An outline of additional research/tasks that will assist Action in its efforts to propose policy interventions.

Framework for Discussion

McArdle relies on the recent work of the Kirwan Institute, which designed an Opportunity Index², based on 19 indicators of neighborhood well-being, to move beyond the use of poverty measures to more fully understand the variation between Massachusetts communities in terms of safety, demographics and access to employment, transportation and adequate schools. While this approach has its limitations, it is a helpful, data oriented tool that refines our ability to plan limited housing resources.

In addition, in thinking through possible policy interventions that address the continuing concentration of publicly assisted housing, it is helpful to think in terms of two distinct efforts that are needed:

- Identify policies that will encourage the movement of publicly assisted households to higher opportunity communities. These policies address **deconcentration**.
- Identify policies that will increase opportunities for those living in high concentrations of publicly assisted housing. These policies are referred to as **servicing households in place**.

Any policy interventions must also take into account the following constraints:

- Current funding for new initiatives (even small scale) is tight at the local, state and federal levels.
- Resources are insufficient to meet the housing needs of all very low and low income households.

¹ McArdle, Nancy (2010). *State-Assisted Housing and Rental Assistance in Massachusetts: Who Is Served and Where?* Action for Regional Equity, Boston.

² Kirwan Institute (2009). *The Geography of Opportunity: Building Communities of Opportunity in Massachusetts*. For more information and data, see

<http://kirwaninstitute.org/research/projects/massneighbopp/MA-opportunity-mapping-resource-site/index.php>

- It is difficult to balance efforts to place new housing in higher opportunity areas with the higher number of development opportunities in lower opportunity communities.
- Production of new housing is limited by zoning regulations and the fragmented character of local government, which is compounded by high levels of NIMBYism.
- Program regulations continue to differ between state and federal assisted programs, and coordinating approaches is difficult.

But there are also opportunities:

- The Patrick/Murray administration, through its 2007 *Analysis of Impediments*,³ its 2008 *Affirmative Fair Housing Market Guidelines*,⁴ and its 2009 *Affirmative Fair Housing and Civil Rights Policy*⁵ shows sensitivity to the issue of concentration and can be seen as a partner in the effort to create new policy.
- HUD is taking a more active role in enforcing Affirmative Fair Housing guidelines (such as requiring updated analyses of impediments), providing more leverage for advocates to influence policy.
- The smart growth movement and the passage of smart growth districts (40R) have opened the door to efforts that link transportation to new development opportunities in suburban communities.
- The US Census Bureau soon will begin releasing American Community Survey data at the census tract level that will assist in the revision and ongoing use of the Kirwan Opportunity Index.

³ Commonwealth of Massachusetts, Department of Housing and Community Development (2007). *Analysis of Impediments to Fair Housing Access and Action Steps to Mitigate Impediments*. Accessed November 4, 2010 at http://www.mass.gov/?pageID=ehedterminal&L=3&L0=Home&L1=Community+Development&L2=Community+Planning&sid=Ehed&b=terminalcontent&f=dhcd_hd_fair_fairh&csid=Ehed.

⁴ Commonwealth of Massachusetts, Department of Housing and Community Development (2008). *Affirmative Fair Housing Marketing Plan Guidelines*. Accessed November 4, 2010 at <http://www.mass.gov/Ehed/docs/dhcd/hd/fair/afhmp.pdf>.

⁵ Commonwealth of Massachusetts, Department of Housing and Community Development (2009). *Affirmative Fair Housing and Civil Rights Policy*. Accessed November 4, 2010 at <http://www.mass.gov/Ehed/docs/dhcd/hd/fair/affirmativefairhousingp.pdf>.

Possible Policy Interventions

As a way of framing the potential policy interventions, the below grid begins by looking at deconcentration efforts, followed by approaches serving households in place. Within, each approach, policy interventions are outlined in terms of impediments to fair housing, potential policy interventions/actions, and any relevant notes. This grid should be a starting point for discussion, to be edited and expanded.

Impediment to Fair Housing	Policy/Action	Notes
De-Concentration of Publicly Assisted Households		
<i>Framing of the dialogue:</i>		
Traditional policy interventions have focused on the deconcentration of poverty.	Reframe as access to opportunity, not just elimination of concentrations of poverty.	While 2007 AI encourages development in lower poverty areas and mentions connections to other needs (transport, etc), use of “Opportunity” framework better accounts for full range of needs.
<i>Preserve existing affordable housing in higher opportunity areas:</i>		
Thousands of existing affordable housing units in higher opportunity areas may be lost due to expiring use restrictions.	While advocacy and implementation of the Act Preserving Publicly Assisted Affordable Housing should be undertaken where possible to preserve all existing affordable housing units, focus preservation efforts on properties in higher opportunity communities.	According to CHAPA 18,902 units of affordable housing are at risk due to expiring use restrictions before the end of 2012. ⁶
<i>Increase access to existing and newly developed publicly assisted housing units in higher opportunity communities by low-income households from low opportunity communities:</i>		
Local preferences reduce the mobility of families to move to higher opportunity communities.	Review local preference policies and suggest changes, including: 1) Reducing the allowable percentage held for local preference from 70 percent. 2) Changing the local preference pool adjustment to reflect racial/ethnic percentages in metro by income.	Currently, the local preference pool is adjusted to include households from outside the local area in order to meet minimum racial/ethnic percentages comparable to the metro statistical area. Adjusting to meeting percentages of low-income households better reflects metro area needs.
Eligibility guidelines for privately owned affordable housing commonly allow families up to 80 percent of Area Median Income (AMI), when need is most acute among households earning less than 30 percent of AMI.	1) Advocate for lower overall income thresholds or use of additional subsidies. 2) Advocate for the reservation of a specific number of units for very low income households.	The BTC and others have advocated for using Boston’s median income instead of AMI. At the metropolitan level, advocacy may need to focus on relative need. Rent/income analysis may prove that households earning close to 80 percent AMI have private housing options.

⁶ Citizens’ Housing and Planning Association’s list of expiring use properties, accessed from www.chapa.org/pdf/CEDACatriskreportJune2010.pdf on August 12, 2010.

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Each developer markets units, creating impediments to access.	Create one marketing list for all affordable homeownership and rental opportunities.	Successful advocacy in Boston has led to a commitment in the Boston AI to have all Inclusionary Zoning units marketed by the Boston Home Center.
<i>Increase access to existing private housing units by publicly assisted households:</i>		
Publicly assisted households are unaware of housing available in higher opportunity communities.	<ol style="list-style-type: none"> 1) Improve search/decision tools available to voucher holders, including additional, easy access to unit listings, as well as information on higher opportunity areas, with a focus on availability of resources, employment, schools and transportation. 2) Improve tenant knowledge of search/decision resources through outreach and marketing. 3) Insure that requirements to submit units listings to Metrolist (or similar) are adequately enforced. 	<ol style="list-style-type: none"> 1) This effort would include both high tech resources, such as information web sites, but also additional resources such as additional funding for housing search specialists. 2) Improve marketing of the lists such as the Metrolist. 3) To what degree is the Metrolist requirement enforced?
Linguistic barriers limit those with a Limited English Proficiency from accessing housing in higher opportunity communities.	Create specific outreach programs to assist linguistic minorities with housing/neighborhood search.	State has prioritized such an effort within its marketing/outreach efforts.
Racial/ethnic minorities feel that they will be unwelcome in a higher opportunity community.	Fund additional “welcoming community” efforts, to change both perceptions of those who live in the community and those who might move in.	
<i>Increase availability of existing, private housing units to publicly assisted households:</i>		
Rent levels for Housing Choice Vouchers are too low to allow home-seekers to have many housing options outside of core city areas.	Seek administrative authority from HUD to establish higher payment standards for neighborhoods with higher rents to ensure opportunity in non-concentrated areas.	
Lead paint continues to be a deterrent to renting to families with children	<ol style="list-style-type: none"> 1) Continue to provide funding for de-leading homes, focusing some funds on households moving into high opportunity communities. 2) Fund discrimination testing that includes lead paint as a cause for discrimination based on familial status 	1) State has commitment to providing de-leading funds, but has not targeted to high opportunity communities
Housing counseling, search and placement agencies have inadequate relationships with landlords in higher opportunity communities.	Increase outreach efforts to landlords in higher opportunity communities, and include information that demystifies the process of renting to voucher holder.	

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Discrimination based on public assistance continues, resulting in limited unit availability.	1) Further fund discrimination testing programs to expose abuses and barriers. 2) Fund marketing efforts in higher opportunity communities that highlight this and other forms of housing discrimination.	1) Abuses and barriers include unreasonable costs/requirements such as extensive credit inquiries.
Homeownership opportunities in higher opportunity communities are limited by high purchase prices.	Advocate for an increase in homeownership opportunities through: 1) Development of affordable homeownership opportunities. 2) Targeting additional purchase subsidies for purchase in private market.	
<i>Increase production of affordable housing in higher opportunity communities</i>		
Current zoning limits development of new affordable housing in higher opportunity areas.	1) Continue pressing municipalities to meet the 40B ten percent affordable goal. 2) Reduce zoning barriers to affordable and multi-family housing production 3) Use Smart Growth concepts/initiatives to provide housing in higher opportunity communities, such as encouraging the creation of 40R Smart Growth Districts 4) Encourage inclusionary zoning	1) Given failure of repeal effort, communities and developers can now move forward with understanding that 40B will continue. 2) The Rappaport and Pioneer Institutes have identified many zoning barriers to housing production. According to the state AI, 16 percent of municipalities do not allow any multi-family housing.
There are more development opportunities in lower opportunity than in higher opportunity communities.	1) Change the state's Qualified Allocation Plan for Low Income Housing Tax Credits to prioritize developments in higher opportunity communities. 2) Encourage state to implement incorporation of affordable housing provision in scoring system for state discretionary grants. 3) Encourage identification of state-owned land in higher opportunity communities that can be developed as affordable housing.	Research is needed to know if some changes have been made already.
Availability of affordable housing is limited because of development type (elderly) or unit sizes that insufficient for larger families.	Advocate for policies that require larger average unit sizes and/or family unit set-asides.	

Impediment to Fair Housing	Policy/Action	Notes
Increasing Opportunities within Concentrations of Publicly Assisted Households in Low Opportunity Communities (Serving Households in Place)		
Publicly assisted households are concentrated in low opportunity communities. Resources are insufficient to eliminate these concentrations, and given the difficulties in developing affordable housing, are too valuable to lose.	<p>1) Advocate for increased opportunities within low opportunity communities through a multi-pronged approach that addresses safety, education, housing, transportation and health.</p> <p>2) Where a multi-pronged approach is not available, advocate for more piecemeal efforts such as increased transportation access/transportation equity.</p>	1) The efforts underway in Boston's Fairmount Corridor serve as a model. Such an effort requires coordination between funders, local institutions and residents. The Boston effort (and efforts already underway in other cities outside MA) can serve as a model for other MA urban communities.
High levels of foreclosure, combined with general neighborhood deterioration, may lead to deterioration of publicly assisted properties (both state assisted properties and state assisted renters).	Advocate for strong enforcement of housing quality standards to maintain quality of state assisted units, stabilizing both the families and the neighborhoods around them.	
Foreclosures reduce units available to publicly assisted households.	Advocate for programs that work with homeowners and tenants to preserve residence or maintain property for low-income tenants.	According to an MHP analysis of foreclosure data, as of October 1, 2010, there were at least 7,105 rental units at risk due to foreclosure in Massachusetts.
Cross-Cutting Efforts		
<i>Increase our understanding of publicly assisted households</i>		
Data is by program, rather than household, making it difficult to understand the entire picture.	Align data sources in order to understand universe of households, as well as by program.	Current difficulties include mismatched addresses and other inconsistencies that make it difficult to know, for example, if a household is both a voucher holder and living in state supported housing.
Language is not included in current data collection, making it difficult to assess linguistic needs and programming.	Add language to data collected by the state.	
Data on federally assisted housing/households is limited.	Advocate for expansion of data collection to these sources.	In the case of many housing providers/agencies, such as with Local Housing Authorities, state assisted housing data is already required.

Research and Testing Efforts

Further research, along with testing, can aid Action, its partners and the state to identify possible policy interventions.

Affordable Housing Need: What is the real need for affordable housing resources, both in terms of types and size of households, as well as location of assisted units?

- Survey existing research (e.g., *Greater Boston Housing Report Card*) that estimates housing trends and future housing needs.
- Examine recent demographic trends for very low income households and forecast future needs.

Currently Assisted Households: Who is currently assisted and how does this compare to all low-income households?

- Continue tracking of state assisted housing data and compare to census bureau data for entire low-income population.

What barriers do households face in accessing housing in higher opportunity communities?

- Survey existing research on mobility efforts.
- Complete focus groups with households to determine (1) Needs (transportation, access to jobs, social networks/supports, etc.) and (2) Perceptions of barriers to entry to higher opportunity communities.
- Test potential landlords for housing discrimination. This would not only include traditional testing related to race and ethnicity, but would also include other protected categories such as family status (e.g. the question of lead paint in the property).

Existing affordable housing: Where are the existing affordable housing units in higher opportunity communities?

- Identify expiring use developments in higher opportunity areas so as to focus preservation resources.

Potential Affordable Housing: Where are the ideal locations for the creation of new affordable housing in higher opportunity area?

- Identify primary areas for new development through mapping the following:
 - Relationship between current and proposed 40R Districts with Kirwan Opportunity Areas
 - Possible 40R District locations based on an overlay of Kirwan Opportunity Areas with proximity to transportation and job resources
 - High-job growth communities

Existing Policies: Have recent fair housing policy changes been implemented, and if so, what have been the outcomes of these changes?

- Research implementation and outcomes of action steps outlined in the 2007 Analysis of Impediments and the 2009 Affirmative Fair Housing and Civil Rights Policy, including:
 - Changes to Affirmative Fair Marketing regulations, as outlined on page 119 of the 2007 AI.
 - Changes to development preferences/Qualified Allocation Plan for Low Income Housing Tax Credits (LIHTC).
- Research implementation of Executive Order 478, including identification of discretionary funding sources for which Affirmative Fair Housing goals can be attached (Commonwealth Capital scoring for discretionary grants).

Existing Policies: What changes in existing policies can improve access to existing affordable housing in higher opportunity areas?

- Review affirmative fair marketing procedures, given changes in media/advertising outlets
- Review local preference policies, and investigate impacts of current policies.
- Scan existing research on land use/zoning policy (e.g. from the Rappaport and Pioneer Institutes) for additional policy changes that will encourage additional housing development in higher opportunity communities.