A Decade of HOPE VI
Research Findings and Policy Challenges

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Introduction

Launched in 1992, the $5 billion HOPE VI program\(^1\) represents a dramatic turnaround in public housing policy and one of the most ambitious urban redevelopment efforts in the nation's history. It replaces severely distressed public housing projects, occupied exclusively by poor families, with redesigned mixed-income housing and provides housing vouchers to enable some of the original residents to rent apartments in the private market. And it has helped transform the Department of Housing and Urban Development's (HUD) approach to housing assistance for the poor. This report provides a comprehensive summary of existing research on the HOPE VI program. Its central purpose is to help inform the ongoing debate about the program's achievements and impacts, and to highlight the lessons it offers for continuing reforms in public housing policy.

HOPE VI grew out of the work of the National Commission on Severely Distressed Public Housing, which was established by Congress in 1989. Congress charged the Commission with identifying “severely distressed” public housing developments, assessing strategies to improve conditions at these developments, and preparing a national action plan for dealing with the problem. Based on its investigation, the Commission concluded that roughly 86,000 of the 1.3 million public housing units nationwide qualified as severely distressed and that a new and comprehensive approach would be required to address the range of problems existing at these developments.

In response to these findings, Congress enacted the HOPE VI program, which combined grants for physical revitalization with funding for management improvements and supportive services to promote resident self-sufficiency. Initially, housing authorities were allowed to propose plans covering up to 500 units with grant awards of up to $50 million. The program's stated objectives were as follows:

- to improve the living environment for residents of severely distressed public housing through the demolition, rehabilitation, reconfiguration, or replacement of obsolete projects (or portions thereof);
- to revitalize sites on which such public housing projects are located and contribute to the improvement of the surrounding neighborhood;
- to provide housing that will avoid or decrease the concentration of very low-income families; and
- to build sustainable communities.\(^2\)

Since 1992, HUD has awarded 446 HOPE VI grants in 166 cities. To date, 63,100 severely distressed units have been demolished and another 20,300 units are slated for redevelopment (Holin et al. 2003). As of the end of 2002, 15 of 165 funded HOPE VI programs were fully complete (U.S. GAO 2003b). The billions of federal dollars allocated for HOPE VI have leveraged billions more in other public, private, and philanthropic investments.

Evaluating HOPE VI

After a decade of HOPE VI, a wide range of constituencies—Congress, the administration, housing groups, local elected officials, resident advocates, and the media—are asking challenging questions about what all of the investment has accomplished:

- To what extent has HOPE VI achieved its intended benefits?
- What impact has HOPE VI had on the original residents, public housing sites, the neighborhoods in which developments are located, and the surrounding cities and metropolitan areas?
- What impact has HOPE VI had on approaches to public housing development, management, and design?
- On a more forward-looking note, what lessons does HOPE VI offer for public housing or for affordable housing policy more generally?

The nature of the HOPE VI program makes responding to these fundamental questions especially challenging. HOPE VI has not been "one program" with a clear set of consistent and unwavering goals. Rather, the program has evolved considerably during the past decade—in legislation, regulation, implementation, and practice. To an unusual extent, the program has been shaped more through implementation than by enactment. What was initially conceived as a redevelopment and community-building program evolved over time into a more ambitious effort to build economically integrated communities and give existing residents more choice in the private housing market. Because of the flexible nature of the program, local housing authorities have had tremendous latitude in how they chose to design and implement their local HOPE VI initiatives. It is impossible, therefore, to provide simple answers to general questions about programmatic effectiveness and "lessons learned." The response to such questions is usually another question: "Which HOPE VI program are you asking about?"
would provide long-term counseling and support to vulnerable families in conjunction with housing assistance. Supportive services should be strengthened, and new attention should be given to innovations such as “enhanced vouchers” that have the potential to improve the circumstances of very low-income families and communities. In particular, assistance with relocation and supportive services. However, the evidence also points to the urgent need for reforms in the HOPE VI program if it is to realize its full potential to improve the circumstances of very low-income families and communities. In particular, assistance with relocation and supportive services should be strengthened, and new attention should be given to innovations such as “enhanced vouchers” that would provide long-term counseling and support to vulnerable families in conjunction with housing assistance.

Further complicating the challenge of evaluating HOPE VI is the fact that the program was initiated at a time of enormous change in the broader public housing system. In many respects, HOPE VI has served as a laboratory to test new and often contentious ideas about public housing finance, management, and design. People’s thinking about the performance and impact of HOPE VI is intertwined with their views on the evolution of federal housing policy more broadly, and their concerns about the future role of public housing in helping to address the needs of the poor.

In part because of the absence of definitive data and evaluation results, perceptions about the impacts of HOPE VI vary widely. Some people characterize it as a dramatic success, while others view it as a profound failure. There is no question that the program has had some notable accomplishments. Hundreds of profoundly distressed developments have been targeted for demolition, and many of them are now replaced with well-designed, high-quality housing serving a mix of income levels. HOPE VI has been an incubator for innovations in project financing, management, and service delivery. Some projects have helped turn around conditions in the surrounding neighborhoods and have contributed to the revitalization of whole inner-city communities. However, HOPE VI implementation has also encountered significant challenges. Some HOPE VI projects have been stalled by ineffective implementation on the part of the housing authority or conflict with city government. In others, developments were simply rehabilitated or rebuilt in the same distressed communities, with little thought to innovative design, effective services, or neighborhood revitalization.

Most seriously, there is substantial evidence that the original residents of HOPE VI projects have not always benefited from redevelopment, even in some sites that were otherwise successful. This can be partly attributed to a lack of meaningful resident participation in planning and insufficient attention to relocation strategies and services. As a consequence, some of the original residents of these developments may live in equally or even more precarious circumstances today.

### Purpose of This Report

This report reviews the existing research literature on both the achievements and the challenges of the HOPE VI program. In addition, it draws upon a day-long symposium on the program’s strengths and weaknesses, held in the fall of 2003, involving a diverse group of practitioners, policymakers, advocates, and researchers. This assessment comes at a critical time in the evolution of HOPE VI—and of public housing policy in general. In its FY 2004 and FY 2005 budget submissions, the Bush administration proposed eliminating funding for the program altogether, citing long delays between grant awards and the completion of the revitalization projects at many sites. Congress ultimately restored the program for FY 2004, but at a substantially lower level of funding.

There is no doubt that housing authorities, cities, and industry advocates would prefer to continue the program. HOPE VI is currently the only major source of redevelopment funding, and many localities are pleased with their successes in replacing older projects that were blighting their communities with new, mixed-income developments. In contrast, advocates for low-income housing have been outspokenly critical of the program, pointing to sites where much money has been spent and little accomplished, and emphasizing the small numbers of original residents who have thus far been able to return to the revitalized HOPE VI sites. Yet, these advocates are now pushing to continue HOPE VI funding, though they are also pressing for extensive reforms such as greatly expanding the rights of original residents and formalizing their role in the redevelopment process (cf. Center for Community Change 2003, National Housing Law Project 2002).

This debate is not likely to be easily resolved, as it involves a number of highly contentious issues:

- the appropriate targeting of limited resources for affordable housing;
- the impact of HOPE VI on the larger affordable housing supply and the appropriate roles of the public and private sector in providing this housing;
- the needs of residents who are being displaced, and the extent to which HUD and local housing authorities are responsible for addressing these needs;
- how race and ethnicity limit choices and opportunities for public housing residents; and
- what to do about “hard-to-house” public housing residents, including families with special needs (multigenerational households, large families, disabled residents), “lease violators” (with back rent payments, criminal histories, illegal residents on the lease), and residents with substance abuse or mental illness who are at risk of becoming homeless.

Research alone cannot resolve these issues, but this report seeks to help inform the ongoing debate by pulling together a wide array of research to address the critical questions about the program’s achievements, impacts, and the lessons it offers for public housing policy. This is, by necessity, an early and limited assessment. Most projects are still undergoing redevelopment, and many new developments are not "seasoned enough" to allow for a definitive examination. For now, in the absence of a comprehensive evaluation, we draw on the considerable evidence available from targeted efforts to examine different aspects of the HOPE VI program. This evidence includes large-scale studies carried out by the Urban Institute on resident outcomes, Abt Associates’ baseline and interim assessments, the recent attempts to assess neighborhood impacts by the Brookings Institution and the Housing Research Foundation, as well as the many smaller studies by local evaluators and related research on mobility and scattered-site housing.

In our view, this evidence strongly supports continuation of the HOPE VI approach as a way to improve outcomes for distressed developments, residents, and neighborhoods. The program has achieved substantial success; it has demolished some of the most distressed and destructive housing environments, replaced them with much higher-quality housing and, in many cases, with mixed-income communities. Many residents who relocated with vouchers are living in higher-quality housing in safer neighborhoods. Therefore, HUD should continue to operate a targeted redevelopment program that provides funds for both physical revitalization and supportive services. However, the evidence also points to the urgency of realizing its full potential to improve the circumstances of very low-income families and communities. In particular, assistance with relocation and supportive services should be strengthened, and new attention should be given to innovations such as "enhanced vouchers" that would provide long-term counseling and support to vulnerable families in conjunction with housing assistance.
Chapter 2 provides essential background for understanding the performance of HOPE VI, by describing the dreadful conditions in many central city public housing developments that led to the call for a radical new approach to public housing. Next, we offer a brief overview of fundamental changes in public housing policy that began in the 1990s and that influenced the evolution of the HOPE VI program. Chapters 4 through 7 discuss the outcomes of HOPE VI, focusing in turn on the public housing sites themselves, the original residents, services and supports for today's residents, and improvements in the surrounding neighborhoods. The report concludes with a review of key lessons learned, priorities for ongoing research, and implications for the future of HOPE VI and public and assisted housing policy more broadly.

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1. HOPE VI stands for Housing Opportunities for People Everywhere.

2. Section 24 of the United States Housing Act of 1937 as amended by Section 535 of the Quality Housing and Work Responsibility Act of 1998 (P.L. 105-276)

3. The FY 2004 appropriation for HOPE VI was $149 million. As of this writing, the FY 2005 budget has yet to be passed by Congress.

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