

Comment on Bruce J. Katz and Margery Austin Turner's "Who Should Run the Housing Voucher Program? A Reform Proposal"

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Abstract

Increasingly, public housing authorities (PHAs) in general and the tenant-based Section 8 voucher program in particular are seen as the means to promote mixed-income communities and the deconcentration of poverty. Katz and Turner contend that the current fragmented system, consisting of thousands of local PHAs, undermines the potential of the voucher program to achieve these goals.

While Katz and Turner's proposal for regional administration and privatization is an earnest look at the future of PHAs and Section 8, we are not convinced that their proposal will address the causes of concentrated poverty. Assessing the validity of these arguments will require much work before their hypotheses are translated into overly deterministic "solutions" for the complex, multifaceted problems of spatial concentration of poverty and limited access to affordable housing across the metropolitan area.

Keywords: Low-income housing; Mobility; Neighborhood

Introduction

Katz and Turner raise a significant issue in their article: How do we improve the effectiveness of the Section 8 voucher program so that it enables recipients not only to access quality affordable housing, but also to access housing in healthy neighborhoods located across a metropolitan area? The authors contend that the voucher program should be administered regionally instead of locally. Moreover, they suggest that one strategy for achieving metropolitan administration would be to contract out responsibility for operating the voucher program in urban areas to one well-qualified, competitively selected organization. Their proposal has already fostered debate among public housing authority (PHA) officials, and we expect it will spark a great deal of discussion in academic and policy circles as well.

In all likelihood, the Section 8 voucher program represents the future of directly assisted housing for very low income families. As of 1998, there are more vouchers than units of public housing (U.S. Department

of Housing and Urban Development [HUD] 1998). Over the past decade, there has been a growing emphasis on tenant-based housing assistance, massive rehabilitation of public housing through the HOPE VI program, and reductions in project-based subsidies. This massive rehabilitation is improving the physical spaces but moving out many of the people who previously occupied this housing in the process (Popkin et al. 2000). Many of these families are being “vouchered out,” meaning that they are given a Section 8 voucher or certificate and forced to find affordable rental housing in the private market.

There are a number of factors that may not bode well for very low income families seeking housing in the private market. Despite the threat of recession, the real estate market in this country remains buoyant, and early results from the 2000 census point to an urban comeback (Simmons and Lang 2001). The *Report on Worst-Case Housing Needs* finds that the number of units extremely low income renters can afford continued to decline between 1997 and 1999 (HUD 2001). These trends have pushed rental costs beyond the reach of many voucher holders trying to find housing units at fair market rents. Moreover, suburban neighborhoods remain out of reach for most voucher holders because of exclusionary zoning practices that lead to high-priced housing. These factors, combined with other individual challenges such as reductions in income due to welfare reform, are likely to limit the ability of very low income families to secure private market housing in low-poverty areas.

Overall, we find that Katz and Turner’s proposal is an earnest look at the future administration of the Section 8 program. It may be possible that the proposed changes could facilitate mobility efforts in some instances, for example, if a regional organization acted as an informational clearinghouse or coordinated landlord recruitment. However, we believe that the one-size-fits-all model is unlikely to provide the flexibility PHAs need to adjust to new regulatory and market realities (Quercia and Galster 1997). Moreover, like Basgal and Villarreal, we find that Katz and Turner’s proposal is unlikely to succeed in addressing the real obstacles to deconcentration of poverty and lack of metropolitan-wide access. It does nothing to deal with the reasons that the literature deems the likely culprits: the workings of the housing market, housing discrimination, and exclusionary zoning practices designed to limit the availability of affordable rental housing.

More broadly, we find that the evidence presented does not support the notion that regional PHAs will promote deconcentration of poverty and access to regional opportunity, especially in regard to access to jobs. Further study is needed on these complex, multifaceted problems. In the absence of a more in-depth development, we cannot help but see in this proposal and its goal of deconcentration of poverty another form of environmental determinism. With von Hoffman (1996), we conclude that “the simple goal of providing decent and safe housing to low-income

people where they now live is not as lofty as creating...a socially heterogeneous society. Yet it is just as worthy and, in these perilous times for social policy, has the advantage of being remotely possible" (442).

To support these views, we examine in more detail two assertions made by Katz and Turner to support their proposal: one dealing with housing mobility and access to jobs and the other dealing with regional PHAs and deconcentration of poverty. Although Katz and Turner make a number of such assertions, we will discuss these two because they have been examined in the literature. We will then discuss policy solutions and future steps.

Housing mobility and access to jobs

As used by Katz and Turner, "housing mobility" narrowly implies the placement of voucher holders in suburban communities and low-poverty neighborhoods. Used in this manner, housing mobility does not include the expansion of housing choice to any neighborhood in a metropolitan area that best meets the needs of the Section 8 recipients. Katz and Turner based their goal on several assumptions, mainly the belief that cities are not places of opportunity for low-income families.

Katz and Turner state that on average, central cities still house a disproportionate share of low-income families, although suburban areas outpace the central city in new jobs. On its face, their assertion that many low-income families in central cities do not have access to these jobs because of their urban residential location is compelling. One would logically conclude that relocating to a suburban area would solve this problem and ultimately improve the quality of life for low-income families. We agree that spatial location is important and that families should have appropriate access to jobs, good education, and adequate services across the metropolitan area. However, a series of small but important caveats should be considered.

The evidence on the location of new jobs is consistent with Katz and Turner's assertion (Brennan and Hill 1999). The key question is whether a move to the suburbs will actually increase job access for Section 8 voucher families. Three key components of the jobs-housing spatial mismatch equation are (1) the location of jobs, (2) the location of housing, and (3) the means to get from one to the other. Unfortunately, results of decades of research on the spatial mismatch hypothesis are somewhat inconclusive (Macek, Khattak, and Quercia 2001). In general, though, studies of commuting have found that unequal accessibility to jobs explains only a portion of the difference in employment rates: For instance, unequal access explains about 50 percent of the difference between the employment rates of African Americans and whites (Cervero 1998). We now examine the evidence on several related issues.

Are there employment centers located on the urban fringe? Are they easily accessible? Recently published research finds that these employment centers, at least for office jobs, do exist in limited numbers but that suburban jobs tend to be scattered haphazardly throughout the region rather than neatly clustered around transportation nodes or the like. In a study of 13 large metropolitan areas, Lang finds that, on average, edge cities, which represent suburban concentrations of employment, account for only 20 percent of a metropolitan area's office space. Another 37 percent is found in small clusters strewn across the suburban fringe (Lang 2000). While this study is a good proxy for identifying the location of white-collar jobs, more research is needed to better understand the spatial distribution of the retail space and manufacturing facilities that contain the new jobs referenced by Brennan and Hill (1999).

How is affordable rental housing distributed across the metropolitan area? How is this distribution related to job location? In many regions, lower-priced housing may be clustered in one area (e.g., a suburban county) that may not be anywhere near the high job growth areas (Rosenbaum 1991). For instance, in Chicago, research has found wide variation across suburbs with respect to the ratio of rental housing to entry-level jobs. Suburban Cook and Will Counties have one rental unit for every 2.6 entry-level jobs, while three other suburban counties—DuPage, Kane, and Lake Counties—have ratios between 1.6 and 1.9 jobs per rental unit (Metropolitan Planning Council 2000).

Do voucher holders have access to automobiles? Differences in the location of jobs and housing could be easily addressed by automobile. Unfortunately, most very low income households do not own or have access to automobiles (authors' calculation of the 1995 National Personal Transportation Survey). Many are extremely dependent on public transit for access to jobs and services. Central-city residents are also unable to access suburban jobs via public transit because suburban service is often quite limited, as noted by Cervero (1998) and Katz and Turner.

The plight of voucher holders may not really improve with a move to the suburbs, since they would have less access to public transit as well as no access to a car. For instance, recent research finds that travel times to work by automobile in New York are similar for urban and suburban residents (an average of 24 minutes). However, it also finds that urban transit users average a 40-minute commute, while suburban transit users average a 60-minute commute (Macek, Khattak, and Quercia 2001). According to these same authors, a suburban location may actually increase commuting time if people take public transit, probably because as in the case of New York, most of the jobs are still in the city (Macek, Khattak, and Quercia 2001). Obviously, these findings are based on research conducted in one city. Nevertheless, they

indicate more diversity in job location and accessibility to jobs than Katz and Turner envisioned in their proposal.

Regional PHAs and deconcentration of poverty

Katz and Turner blame the failure of the Section 8 program to place voucher holders in low-poverty areas on the fragmented system of thousands of local PHAs making uncoordinated decisions. To address what they see as a failure, they propose the creation of regional PHAs. This idea has merit. Compared with myriad local PHAs, one such entity could better match the geography of metropolitan economies and facilitate housing choice by providing information about unit availability in different parts of a metropolitan area.

A logical conclusion to be derived from Katz and Turner's contention is that the largest PHAs (those with most fragmented systems) would do worst in placing voucher holders in low-poverty areas. This does not seem to be the case. Pendall (2000) finds a wide variation among metropolitan areas in the concentration of voucher and certificate users in distressed census tracts. In fact, areas with the highest percent concentrations in mildly and severely distressed census tracts are not the largest metropolitan areas. For instance, Flint, MI, is the only metropolitan area that has a high concentration of voucher users in mildly distressed census tracts and that ranks in the top 50 metropolitan statistical areas (MSAs) (Pendall 2000). Among those metropolitan areas with high percentages of voucher recipients in severely distressed census tracts, Springfield, MA, is the only one ranked in the top 100 MSAs with respect to population size.

Table 1 shows that the metropolitan areas with the highest percent concentrations of voucher and certificate recipients in severely distressed census tracts are small cities like Huntsville, AL; Sioux City, IA; and Florence, SC. Given their small size, it is likely that most are already served by a single PHA, which further calls into question the notion that regional PHAs will mitigate concentrations of poverty. These findings point to the fact that further research is needed before the Section 8 program can be changed to effectively promote deconcentration of poverty.

Basgal and Villarreal state that the 206 PHAs that operate 2,000 or more public housing and Section 8 units and also administer 47 percent of the Section 8 units in the country are generally the single PHA in the MSA. Thus, it should be feasible to examine the differential with regard to deconcentration of poverty in single versus multiple PHA localities.

It is possible that the Section 8 voucher program is not realizing its potential with regard to deconcentration of poverty. However, without

Table 1. Metropolitan Areas with Highest Percent Concentration of Voucher and Certificate Recipients in Severely Distressed Census Tracts in 1998

Percentage in Severely Distressed Census Tracts	Area	MSA Rank by Population	MSA Population
23.8	Benton Harbor, MI	192	162,453
17.2	Sioux City, IA-NE	236	124,130
16.6	Florence, SC	233	142,950
16.0	Great Falls, MT	276	80,357
15.3	Springfield, MA	73	591,932
14.8	Jackson, MI	195	158,422
13.5	Huntsville, AL	119	342,276
12.1	Decatur, IL	246	114,706
10.8	Lima, OH	197	155,084
10.5	Johnstown, PA	155	232,621

Source: Pendall (2000) for percent concentrations of voucher and certificate recipients and U.S. Bureau of the Census (2001) for metropolitan populations and rankings.

further research, it is not possible to know what the key reasons for this shortcoming might be. A quick review of the existing literature indicates that the availability of rental units in certain metropolitan areas, poverty rates, and race account for two-thirds of the variation in the concentration of voucher users in distressed tracts (Pendall 2000). At a minimum, these findings suggest two hypotheses worth examining in future research: First, we suggest that unless rental units are developed and available at fair market rents in low-poverty neighborhoods, the potential benefits of regional PHAs may never be realized. Second, not surprisingly, race matters. Without further research, what the findings on race actually mean is not clear. They may mean that discrimination may be playing a role in the housing choices of voucher holders, or they may mean that racial and ethnic voucher holders prefer to live close to others of similar background for cultural or support reasons. In either case, there is no reason to believe that regional PHAs would do a better job of dealing with discrimination or cultural issues than local PHAs.

Considering the solutions

The extent to which the Section 8 voucher program has been successful in placing voucher holders in low-poverty areas is open to debate. It is true that “[o]n average metropolitan-area voucher and certificate users in 1998 were more likely than all renters...to live in distressed tracts” (Pendall 2000, 892). Yet it is also true that voucher users are less likely than other poor renters to live in such tracts. From this perspective, we find with Pendall (2000) that the program has been quite successful in helping voucher tenants meet the most basic neighborhood quality goal *relative to similar nonvoucher households*.

Overall, Katz and Turner make a persuasive case for considering the creation of regional PHAs. However, we believe that more research is needed before such a proposal can be turned into policy. We need to ascertain that any proposed solution actually achieves its stated goals by tackling the real causes of the problem it tries to correct. In particular, we need to know more about two key assertions made by the authors in light of the conflicting evidence in the literature.

1. *A single regional agency will improve program effectiveness.* We find no evidence to support this belief. In fact, Katz and Turner present a number of very creative and innovative models that are already in use for the administration of tenant-based Section 8 programs. As the authors themselves note, virtually nothing is known about the effectiveness of the various administrative structures. Instead, we believe that the best path is to promote innovation. The program needs to be flexible enough to allow this innovation to take various forms in each area to better respond to local circumstances.
2. *A single regional agency will improve the housing choices of voucher holders.* We find no empirical evidence to support this notion either. On the basis of Pendall's (2000) work, we are inclined to believe that the impact of the metropolitan administration of vouchers on concentrations of poverty is minimal. Individuals with Section 8 vouchers and certificates should not have limitations on their locational choices within a region or even a state. However, having one regional agency administer the program will do nothing to address real barriers to choice: exclusionary zoning, discrimination, and other limiting factors.

Conclusion

Until further research is conducted, those who care deeply about the future of the Section 8 voucher program and the fortunes of the families it serves would do well to advocate for more limited, yet more feasible, changes to the current system. Many of these changes, such as improvements in management through new programs at HUD, are already under way. Other incremental changes, including increased funding for landlord recruitment and mobility counseling, might prove to be much more effective in decreasing concentrations of poverty and increasing metropolitan access.

Authors

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