



Are We Home Yet?

Creating Real Choice for
Housing Choice Voucher
Families in Chicago

A project of:

Housing Action Illinois

Latino Policy Forum

**Nathalie P. Voorhees Center for Neighborhood
and Community Improvement, University of
Illinois at Chicago**

Sargent Shriver National Center on Poverty Law

About IHARP

The Illinois Assisted Housing Action Research Project (IHARP) is a database project for Chicago and the state of Illinois. It is also a partnership that formed in the mid-1990s when housing advocates came to an alarming conclusion: housing policy was being established and implemented in an information vacuum. No one knew how many units of assisted housing existed in Illinois, where they were located or who lived in these units. Data was needed to help policy makers, government officials, community organizations and others to make informed decisions about the future of assisted affordable housing in Illinois. At that time, data was not readily available or easily attained from public agencies, and it was often not in electronic form. It took several years to compile this base of information, which we now update to reflect new housing development and, unfortunately, lost units. Data and reports like this one are available on the Voorhees Center website.

Public access to this information is a step forward, but IHARP is committed to equal access. Many residents in subsidized housing do not have the resources to use the IHARP database. To address this problem, IHARP partners provide outreach, education, and technical assistance on using IHARP data for local organizing. In addition, IHARP also uses the data to evaluate various programs that fund assisted housing. To date we have completed reports on the expiring contracts of Project-Based Section 8 developments in Illinois, the Illinois Housing Trust Fund, Illinois' Low Income Housing Tax Credit Program (LIHTC), the HOME Investment Partnerships Program, and accessible affordable housing for people with disabilities in Illinois. This latest report examines Housing Choice Voucher (Section 8) usage in Chicago. A subsequent report will look at voucher usage statewide.

About IHARP Partners

Housing Action Illinois is the only statewide coalition of community-based groups working to increase and preserve the supply of affordable housing for low- and moderate-income households in Illinois. Housing Action achieves this work through three program areas: training and technical assistance; public education and organizing; and public policy advocacy. Two of Housing Action's basic policy guidelines are that government subsidies must benefit those in greatest need and that low-income people must be

involved in the decisions that affect their homes. Housing Action Illinois programs help community organizations increase and protect the supply of affordable housing in Illinois.

<http://www.housingactionil.org/>

The **Latino Policy Forum's** mission is to build the power, influence, and leadership of the Latino community through collective action to transform public policies that ensure the well being of our community and society as a whole. The Latino Policy Forum provides analysis with a Latino perspective and convenes sectors of the community to engage in the policy debate and advocacy activities on issues critical to the region. Its current focus is on early childhood education, housing issues that address affordability, accessibility and equity, and immigration reform which supports the integration of immigrants into the social, economic, and political fabric of the U.S.

<http://www.latinopolicyforum.org>

Nathalie P. Voorhees Center for Neighborhood and Community Improvement is an applied research and technical assistance unit at the University of Illinois at Chicago. The mission of the Voorhees Center is to improve the quality of life for all residents of the Chicago metropolitan area by assisting organizations and local governments in efforts to revitalize the many and varied neighborhoods and communities in the City of Chicago and its suburbs. Since 1978, the Voorhees Center has worked with many organizations and coalitions in the region on more than 250 projects including housing needs assessments, rent studies, community profiles and market analysis.

<http://www.uic.edu/cuppa/voorheesctr/>.

The **Sargent Shriver National Center on Poverty Law** provides national leadership in identifying, developing, and supporting creative and collaborative approaches to achieve social and economic justice for low-income people. The Shriver Center fulfills its legal advocacy and policy development mission by (a) representing low-income people on welfare, workforce, housing, and community development issues through legislative and administrative advocacy, collaboration with public and private entities, and, where necessary, impact litigation; and (b) managing communication and knowledge services on poverty law and policy-related information through the Clearinghouse Review and the Shriver Center's other publications.

<http://www.povertylaw.org/>

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Executive Summary

The Housing Choice Voucher (HCV) program is the federal government's major program for assisting very low-income families to afford housing that otherwise would be too expensive for them to rent. Nearly 2 million families across the country are assisted each month including people with disabilities, people who are retired and people who are working but not earning enough to afford housing in their community.

While the goal of the HCV program is making housing affordable to low-income renters, it has also helped to open up communities previously inaccessible to lower income renters. Similarly, HCVs have been used to address long standing patterns of racial segregation and to promote racial/ethnic as well as economic integration. This includes helping residents in public housing to relocate from economically segregated low-income developments to neighborhoods that can offer more and better opportunities to access good education, work and other amenities often lacking in public housing neighborhoods. Within housing policy circles, this strategic use of vouchers aims to "move people to opportunity" as well as promote racial, ethnic and economic integration.

While there is evidence that segregation patterns are changing slowly in the US – with some credit given to the HCV program – this is not the case in the City of Chicago. This report, which focuses on where HCV families live in Chicago, finds very little change in the spatial distribution of voucher holders in Chicago over the past decade. In fact, the data indicates more HCV families are now concentrated in more predominantly African American communities than ten years ago. Many of these communities have poverty rates well above the city average. This includes Auburn Gresham, Chatham, Englewood, Grand Boulevard, Greater Grand Crossing, Washington Park, West Englewood, and Woodlawn on the city's South Side, and Austin, East and West Garfield Park, Humboldt Park and North Lawndale on the West Side.

Many of these communities have struggled with high unemployment rates, depressed housing values and disinvestment since the 1960s – nearly two decades before the voucher program began. While often attributed to "White flight," the story of racial and economic change is more complex in each of these communities. And unfortunately, the current conditions in most are being further complicated by foreclosure, above average rates of crime and overall poor health of residents.

In Chicago, Federal HCV funds currently assist about 35,000 households renting housing in the private market, which is nearly half of the voucher holders in Illinois. This means that not only do these families have an affordable place to live, but also that about 15,000 landlords—many small "mom and pop" property owners—have secure tenants. This outcome of the program should not be overlooked in a down housing market.

Equally important in these changing times, policy makers, public officials and housing advocates need to rethink and expand how they view the communities where housing voucher holders *currently* live and what strategies might actually help change the decades of disinvestment including transportation, economic development and regional approaches to mobility. To this end, we recommend:

1. The CHA, the City of Chicago, and public housing authorities and public officials in the region must all do more to affirmatively further fair housing and work cooperatively to see that this occurs. Promoting opportunity moves to low-poverty, racially and ethnically diverse neighborhoods must become a greater, permanent priority for all.
2. The CHA partner with an established mobility housing counseling agency to provide education and services to all HCV holders regarding opportunity moves and not just for residents relocating from public housing using HCVs.
3. The CHA use the flexibility granted through its Moving to Work (MTW) agreement with HUD to aggressively promote opportunity moves. CHA should consider how this funding flexibility can be used to affirmatively further fair housing and implement new programs.
4. Congress should enact the federal Section 8 Voucher Reform Act (SEVRA). While still to be determined, the changes being considered will more than likely address many structural problems of the program that currently limit choice rather than expand it.
5. The CHA and public housing authorities in the region should conduct an information campaign to dispel myths and educate people about the HCV program. In order to expand housing options for HCV holders, prospective landlords (particularly those owners with properties in areas of opportunity) must be educated about what the HCV program really is and how it actually works.

6. The CHA should increase outreach and program participation to traditionally underserved racial and ethnic groups to ensure that the HCV program is open to participation by all and that there are not institutional barriers to participation, such as language access.
7. Advocates and public officials should request that HUD develop more targeted Fair Market Rents (FMR) for the Chicago region. HUD uses wide metropolitan geographic areas to set the FMRs that will be paid under the HCV program. With the rent level diversity for the Chicago metropolitan area, FMRs may be higher than the actual market rents for lower-quality units in high poverty, racially segregated areas and lower than the actual market rents for higher-quality units in mixed or low poverty “opportunity” areas.
8. The CHA should use the maximum allowable Fair Market Rent in opportunity areas. Even if HUD does not develop more targeted FMRs as proposed above, CHA can still provide HCV holders with greater access to units in opportunity areas by using a 50th percentile FMR and permitting higher or “exception” rents in higher income communities.
9. The CHA should incentivize landlords with units in opportunity areas to participate in the HCV program. While the prospect of a guaranteed rental payment from a government agency can incentivize some, there are also undeniable transaction costs for a participating landlord, particularly if the unit is in an opportunity area and/or there is a tight rental market. CHA should use the flexibility provided to it under its MTW agreement to reinstate certain incentives provided in the past for units in opportunity areas, such as an inspection holding payment and, as discussed above, increased payment standards and exception rents.
10. The CHA should incentivize HVC holders to make opportunity moves. As part of its information campaign, CHA should reach out to voucher holders and soon-to-be voucher recipients to begin a discussion about opportunity moves and to help them learn about new communities. Assistance to HCV holders who make opportunity moves should continue post-move, to ensure that these households have the support necessary to successfully transition to a new neighborhood.
11. Elected officials should enact passage of source of income protections that include HCVs. Chicago currently prohibits discrimination against a tenant because of his or her source of income, which includes an HCV. However, for the voucher program to provide real choice, HCV recipients must not be discriminated against solely because of the source of their income no matter where they search anywhere in the region, state or US.
12. HUD should provide incentives for public housing agencies to cooperate with regard to portability. Under its MTW agreement, “CHA is authorized to establish its own portability policies with other MTW and non-MTW housing authorities.” Helping HCV households move outside of the CHA’s jurisdiction is critical to ensuring low-income families have all available fair housing choices.
13. The CHA and HUD should increase project-based vouchers in targeted neighborhoods. PHAs can project-base up to 20 percent of their vouchers, provided that they do so within the statutory goals of “deconcentrating poverty and expanding housing and economic opportunities.” The CHA should continue to utilize this authority with project-based vouchers, particularly as a way to help typically hard to house larger HCV households move to areas of opportunity.
14. The CHA and the City of Chicago should increase outreach and services to voucher holders that reside in buildings that are in foreclosure. Given the sometimes lengthy searches HCV holders have to undertake to find suitable units, the CHA should do all it can to help voucher recipients in buildings that are in foreclosure or that have been foreclosed upon including knowing their rights, providing sufficient time to seek another unit, and helping families move to better neighborhoods.
15. The City of Chicago and the CHA should work to invest in all communities following HUD’s new sustainable communities’ initiative. In addition to promoting opportunity moves, CHA must also look at where its HCV recipients are currently residing, and work to make these “healthy communities” (as this report defines) as well. Policy makers must look across agency lines so that decent affordable housing is provided in safe communities with good schools and good public transportation options.

Introduction

The Housing Choice Voucher Program is a federal housing rental assistance program. It allows low-income families to rent good housing in the private market. The voucher program pays a portion of their rent each month directly to the property owner or manager. Participating families are free to use their vouchers to search for and to rent a house or apartment from private landlords throughout the City of Chicago. Chicago Housing Authority, 2009¹

The housing choice voucher (HCV) program is the federal government's major housing program for assisting very low-income households. The HCV program provides direct assistance with monthly rent, which means the family or individual can choose any housing in the private rental market that meets program requirements and where the landlord agrees to rent under the program. An important goal of the housing choice voucher program is to provide very low-income families the opportunity to rent housing outside areas of poverty or minority concentration.² To this end, affordable and fair housing advocates have long supported efforts to help HCV holders have as much choice as possible when seeking rental housing. This includes making it easier for families to move to better communities in the jurisdiction that issues their voucher as well as to "port" with their voucher to other jurisdictions. In either case, the goal is to make sure families have access to quality housing, education, transportation and employment.

As the program name indicates, the key is providing qualified low income families in need of housing assistance a "choice" in where they live relative to good jobs, schools, services, and transportation. This report, which focuses on voucher holders living in Chicago, considers what can be done to help create choice by both improving where current HCV families live now and helping families that want to move find housing in other communities in the city and the region. To compliment this report, a forthcoming IHARP report will look at the state of HCV porting in Illinois, to consider in more detail what is needed to improve regional strategies to promote choice moves.

¹ Chicago Housing Authority. The Housing Choice Voucher Program. Accessed September 28, 2009 at http://www.thecha.org/pages/housing_choice_voucher_program/69.php

² *Voucher Program Guidebook: Housing Choice*. Prepared by Quadel Consulting Corporation for the US Department of Housing and Urban Development, 2001.

We also focus on Chicago here since it has the largest number and portion of HCV families under one housing authority in the state.³ In Chicago, the HCV program is administered by the Chicago Housing Authority (CHA), which is responsible for paying the rental assistance to the landlord and inspecting apartments to make sure they meet federally mandated quality standards.

The vast majority of HCV recipients in Chicago are African American. Past research has shown that voucher recipients in the city and the region tend to reside in highly racially and ethnically segregated, high poverty communities.⁴ This report finds similar patterns. However, it also finds that many HCV households live in areas with high rates of health problems and disparities as well as crime and unemployment. Finally, a more recent trend found that many voucher recipients are living in communities with high rates of foreclosure in multifamily rental buildings.

These findings can be interpreted differently depending on how the problem is framed. We are mindful of a long history of "blaming the victim" when it comes to looking at the conditions in which poor people live. This is evident in recent debates about the housing choice voucher program and efforts to transform public housing around the country.⁵

Our intent with this IHARP report is to focus attention not on who to blame, but to prompt discussion and action on systematic improvements to how the HCV program is administered in Chicago, with the goal of improving the living conditions for all HCV recipients. Ultimately, there needs to be a greater recognition that "HCV recipients" are community residents wherever they live, and as such, are entitled to the housing choices, services and community amenities all Chicagoans expect and deserve.

³ Based on the most recent CHA data, 35,239 HCV families live in Chicago and 559 live in 85 different communities outside the city (from January 22, 2010 report by Natalie Moore on WBEZ). According to HUD data, Illinois had approximately 74,000 voucher holders at the end of 2009. Data accessed January 29, 2010 at <https://pic.hud.gov/pic/RCRPublic/rcrstate.asp>.

⁴ See Paul B. Fischer, *Section 8 and The Public Housing Revolution: Where Will the Families Go?* June 3, 1999. Also, see Chicago Area Fair Housing Alliance. *Putting the Choice in Housing Choice Vouchers*, 2004, and *The 2008 State of Fair Housing in the Six-County Chicago Region*, 2008. Both available at <http://www.chicagoareafairhousing.org>

⁵ See for example, Hanna Rosin "American Murder Mystery," *The Atlantic*, July/August 2008, and Xavier de Souza Briggs and Peter Dreier, "Memphis Murder Mystery? No, Just Mistaken Identity: A group of the nation's leading scholars and experts on housing and urban policy respond to *The Atlantic's* "American Murder Mystery" Posted on *Shelterforce*, July 22, 2008.

We believe that it is therefore the responsibility of policy makers and public officials to look seriously at the conditions in which voucher holders live now in order to develop and then implement serious and systemic solutions. This includes (but is not limited to) reducing the racial and ethnic segregation patterns of voucher holders by helping families with vouchers who want to move to less segregated areas to do so. However, it also means making improvements to the housing and neighborhood conditions in which families with vouchers live if that is where they would like to stay.

Consensus around what constitutes good public policy on any given issue often changes over time. Since the late 1980s, transportable vouchers have been viewed by many policy makers and housing advocates as a superior alternative to spending public resources to develop public housing. A key reason for this is that unlike a building “fixed” to a specific location, HCVs do not limit people to where they can live. This makes it possible for low income families to afford to live in places that have higher income level households and potentially to make those communities more economically mixed. The resulting policy framework has led to the demolition of public housing and “vouchering out” tenants. In Chicago, as in other parts of the country with a history of racially segregated and isolated public housing, vouchers are touted as the strategy to help families from public housing to access communities that are less racially and ethnically segregated.

Another presumed advantage to the HCV is that by relying on the private market to provide the housing, the government does not have to find the resources to build new housing or rehabilitate old housing. This is particularly favorable in locations with an oversupply of quality rental housing that is unaffordable to lower-income families.

Current housing market conditions raise questions about the assumptions and approach to meeting the growing need for permanent affordable housing among lower-income families. Policy makers and public housing agencies are considering converting vouchers into project-based rental assistance. The CHA, for example, has plans to buy foreclosed homes around the city to make sure that families, particularly larger ones, have stable affordable housing. After a long run of rapidly rising rents and condominium conversions, the loss of thousands of affordable unsubsidized rental units in the last decade raises the question: is it worth investing in a permanent supply of affordable and integrated rental housing in all our communities as a means to insulate against the extreme swings of the market?

This is a transformative moment in the US and Chicago. We have an opportunity to reframe affordable housing. This does not mean giving up on vouchers but rather looking at them as part of a continuum of housing options that include quality and integrated permanent housing to make our communities and our region a better place to live and work. To help jumpstart the discussion, this report offers a new—and we think fresh—approach that aims to practically address immediate concerns about providing real choice to current and future voucher holders in Chicago as well as improve the communities where voucher holders live now.

The report begins with a brief overview of the HCV program in Chicago followed by key findings including maps that show change over time in the distribution of HCV holders between 1998 and 2007 in relation to prevailing spatial patterns. Next, we review historic efforts to help increase choice and decrease racial and economic segregation among voucher holders in Chicago. We then introduce and discuss a different way to look at “choice” and conclude with policy recommendations, many of which can be implemented now to make immediate and necessary systemic changes to the HCV program. All data tables and maps referenced are located at the end of the report.

The HCV Program in Chicago

The Housing Choice Voucher program provides low-income families with rental assistance that can be used to reside in privately-owned housing. Originally called “Section 8” after the section in the 1974 federal legislation that made it possible to provide tenant-based rental assistance, this program was renamed in 1998 to emphasize its goal of creating housing choice for low-income families. Based on recent federal budget outlays and what is proposed in the FY2010 budget, tenant-based rental assistance makes up about 40 percent of the total U.S. Department of Housing and Urban Development (HUD) budget. These HCV outlays are more than twice the amount of funds allocated for the development, operation and maintenance of public and other permanent subsidized housing.

From its inception, the Section 8 (now HCV) program aimed to expand housing options for lower-income people through a two-pronged approach: using project-based subsidies and tenant-based subsidies. Project-based subsidies go directly to participating landlords to reduce the costs of operating a property and to supplement monthly rents for qualified low-income families. Tenant-based subsidies also supplement monthly rents, but they are not tied to a particular building or landlord. Instead, the eligible tenant receives a voucher to use in any private-sector rental housing that meets federal housing quality standards. The HCV assures a landlord that the federal government will pay the difference between what a tenant can afford, which is generally defined as no more than 30 percent of income for rent, and the actual rent up to a “fair market” value determined by the government. The Fair Market Rent (FMR) is calculated by HUD and is based on an annual survey of rental properties in the region.⁶ For Chicago, the FMR is based on rents for all properties in the region and not just the city. As a result, FMRs are often higher than the actual market rents for lower-quality units in high poverty, racially segregated areas and lower than the actual market rents for higher-quality units in mixed or low poverty “opportunity” areas.

The following data is from the CHA, which manages the HCV program, overseeing four private agencies responsible for day-to-day administration of the program.⁷

⁶ For more information go to http://www.hud.gov/offices/pih/programs/hcv/about/fact_sheet.cfm

⁷ Chicago Housing Authority Housing Choice Voucher Program, Departmental Resource Guide, *Community Partners Edition*, Housing Choice Voucher Program Organizational Structure at 1 (October 2008) (document retained by the report’s authors).

Demographics of HCV Participants 12/31/2008⁸

Number of Program Participants

Heads of Households	35,153
Other Household Members	61,691
Total Participants	96,844

Bedroom Breakdown

0 Bedroom	1,745
1 Bedroom	4,464
2 Bedrooms	9,939
3 Bedrooms	12,893
4 Bedrooms	4,279
5 Bedrooms	1,427
6+ Bedrooms	406

Age (Non-Head of Household Participants)⁹

0-18 years old	16,950
18 years or older	44,629
Unknown	112

Race (All Participants)

White	10,401
Black	85,652
Native/Alaskan	72
Asian	112
Hawaiian/Pacific Islander	23
Multiple Races selected	17
Unknown Race	567

Ethnicity (All Participants)

Hispanic	9,263
Non-Hispanic	86,152
Unknown Ethnicity	1,429

Annual Income Range (All Participants)

\$0.00 - .99	52,973
\$1.00 - 9,999	30,405
\$10,000 - 19,999	8,881
\$20,000 - 29,999	3,378
\$30,000 - 39,999	1,005
\$40,000 +	202

⁸ Chicago Housing Authority, “Chicago Housing Choice Voucher Demographics” available at http://www.thecha.org/pages/hcv_program_demographics/101.php.

⁹ CHA does not specify that “Age” includes only non-head of household participants, but we speculate that this is the case because the total number of people in this table (61,691) matches the number of “Other Household Members” reported above.

Findings

This report analyzes data for the Chicago Housing Authority's HCV households living in Chicago between 2000 and 2007. During this time period there were 48,576 *distinct* Housing Choice Voucher Households in the CHA program, representing 37 percent of all of the unduplicated voucher households (130,697) who lived in Illinois during that same time period.¹⁰ The following summarizes maps and tables produced using data provided by the US Department of Housing and Urban Development on Housing Choice Vouchers used in the City of Chicago from 2000 to 2007. Specifically, we found:

- About 55% of the HCV users in 2007 had been admitted to the program in 2000 or later (Tables 1 and 2).
- There are approximately 15,000 participating private landlords. In 2007, while most had only a few units included in the program, 10 landlords had more than 100 units rented to HCV families (Table 3).
- While most families are small (3 or less people), about 30 percent of HCV households in 2007 had four or more people (Table 4).
- Most families in 2007 lived in either a two-bedroom (29%) or three-bedroom (37%) unit (Table 5).
- One-third of the HCV households in 2007 had someone – head of household or another member – with a disability (Table 6).
- There was no real change since 1998 in where the majority of HCV families are located in the city (Figure 1) – most are living in predominantly African American neighborhoods on the south and west sides of Chicago.
- Nearly half of all voucher holders live in just 10 of the 77 community areas in Chicago. While this is not that different from 1998, there are now a higher number and percentage of voucher holders living on the south side of the city, particularly in the far south, while there are fewer voucher holders living on the north side, particularly in Rogers Park and Uptown (Figure 2). As a result, the racial segregation of HCV holders has increased since 1998 since Uptown and Rogers Park are more integrated than the far south side.
- Racial segregation of housing choice voucher holders in Chicago continues with most voucher holders in communities that are more than 60% African American (Figures 3).
- Economic segregation also affects the location of housing choice voucher holders in Chicago. Most voucher holders are in communities that are above the city poverty level (Figures 4).
- Most voucher holders currently live in communities with the most affordable rental housing options based on federal Fair Market Rent levels. Two majority Latino communities, Pilsen and Little Village, are exceptions to this pattern; despite having a very large portion of their rental housing affordable, these communities have less than one percent of families using vouchers residing within their boundaries (Figure 5).
- Voucher holders are more likely to live in areas served by both CTA bus and trains (Figure 6).
- Most voucher holders in 2007 lived in communities with higher than average rates of housing foreclosure, in both for-sale and rental housing (Figure 7).
- Voucher holders in 2007 were more likely to live in communities with the highest levels of elevated lead, poor overall health rates, and crime (Figures 8-10).

¹⁰ This total number of HCV households is different from the 12/31/08 CHA figure above because it represents all households that used vouchers during the period 2000-2007. Not only is this figure from a different time period, it also is inclusive of all families including those that left the program during that period.

What has Changed? What has *Not* Changed?

Numerous studies through the years have documented that voucher recipients tend to reside in highly segregated, high poverty communities in the city – a pattern that has not changed much over the past ten or more years.¹¹ What has changed are the policy and practices aimed at promoting mobility and creating opportunity for housing choice voucher households. The following highlights key changes in policy or practice, and what we know now in terms of outcomes and benefits to voucher holders.

Gautreaux Program. Initiated in Chicago in 1976, the Gautreaux Program helped move 7,100 African American families, who were residents or applicants of CHA public housing into predominantly White suburbs over a period of 22 years.¹² The program was developed in response to an earlier court case which held that the CHA knowingly discriminated against African American public housing tenants and concentrated them in economically depressed, majority African American communities.¹³

Recent research finds that, on average, Gautreaux families moved to and stayed in neighborhoods with much lower poverty rates and that were substantially less segregated, with two-thirds residing in communities with no more than 30 percent African American residents. In addition, research suggests that the program also initially helped improve opportunities for families by providing greater access to employment and better paying jobs for adults and better schools for children. Unfortunately, these outcomes have been less stable over time.¹⁴

Soon after the CHA Plan for Transformation began to be implemented in 2000, a new Gautreaux program (referred to as Gautreaux Two) was initiated. Results to date suggest that while families' first moves were to predominantly White communities, many second moves were to predominantly African American communities that were also higher poverty.¹⁵

Moving to Opportunity (MTO). The MTO demonstration program, which was initiated in 1994, aimed to expand upon the promise of mobility for low income households signaled by the Gautreaux Program. Five metropolitan areas (Baltimore, Boston, Chicago, Los Angeles, and New York City) took part in the program, which moved public housing tenants from inner-city public housing communities into low-poverty communities scattered around each of the metropolitan areas. As stated in a recent report, "[t]he hope was that moving would provide these families with access to communities that offered better schools, economic opportunities, and city services, such as police, parks, libraries, and sanitation."¹⁶ Early results from MTO indicated that, in general, program participants who moved to low poverty neighborhoods reported greater satisfaction with their new neighborhoods, reductions in crime, increased labor force participation, better educational outcomes for children, and improved health outcomes.¹⁷ However, later research showed that second moves were to more segregated and higher poverty areas than the first, and relatively speaking there was little progress in terms of employment or educational outcomes, though there were improvements in the mental and physical health status of women and girls.¹⁸

Latinos United Consent Decree. The same year MTO started, Latinos United (now Latino Policy Forum) filed lawsuits against the CHA and HUD seeking remediation for past discrimination of Latinos that prevented access to housing. Consent Decrees signed in 1995 and 1996 required CHA to issue remediation vouchers, develop bilingual systems, and conduct special outreach to the Latino community to actively seek inclusion of Latinos on public housing and HCV waiting lists. The Latinos United Consent Decree produced mixed results during its ten years of enforcement. Bilingual materials were produced for all programs, and satellite offices were opened in three predominantly Latino communities (Pilsen, South Chicago and Humboldt Park). Still, the participation rate in CHA programs increased only slightly with the largest gain only in the scattered site program.¹⁹

¹¹ See CAFHA and Fischer reports cited above.

¹² Leonard Rubinowitz and James Rosenbaum, *Crossing the Class and Color Lines: From Public Housing to White Suburbia*. Chicago: University of Chicago Press, 2000.

¹³ *Gautreaux v. Chicago Hous. Auth.*, 296 F. Supp. 907 (N.D. Ill. 1969).

¹⁴ Greg J. Duncan & Anita Zuberi, "Mobility Lessons from Gautreaux and Moving to Opportunity," *Northwestern Journal of Law and Social Policy*, 1: 110, 2006.

¹⁵ *Ibid.*

¹⁶ Susan Popkin, *New Findings on the Benefits and Limitations of Assisted Housing Mobility*, 2008.

<http://www.urban.org/publications/901160.html>

¹⁷ *Ibid.*

¹⁸ *Ibid.*

¹⁹ *The Latino Consent Decree 10 Years Later: Increasing Latino Access to Chicago Housing Authority Programs*, Latinos United, June 2006. Available at <http://www.latinopolicyforum.org/assets/LCD%20Report%20Final%20060206.pdf>.

Chicago Housing Authority Plan For Transformation (CHA Plan). Approved in 2000, the CHA Plan aims to transform most of Chicago's large scale public housing developments into mixed-income, mixed tenure (owner and renter-occupied units) and, usually, lower density communities. Policy makers envisioned public housing transformation as a way to create an opportunity for families to improve their lives and life chances. The CHA plan was approved under a demonstration program entitled Moving To Work (MTW).²⁰ MTW's goals are to improve cost effectiveness in the federal housing programs, provide incentives to families who work or encourage others to become employed and become economically self-sufficient, and *increase housing choices for low-income families*. MTW gave participating public housing authorities flexibility and the opportunity to be creative in their approach to providing federal housing assistance.

Under the CHA MTW plan, 51 high-rise buildings were to be demolished, as well as several thousand mid- and low-rise units, which in turn required that tenants be relocated to alternative housing, e.g., another public housing development or a private rental unit through the HCV program. According to the CHA, up to 6,000 households were going to use HCVs to relocate from public housing developments into the private market. Current data from the CHA shows 3,699 CHA households relocated with vouchers. Some of these families intend (or at least intended to in the past) to return to a redeveloped public housing development. For some, this will mean waiting several years since the plan completion date has been extended to 2015.

Wallace Case. In 2003, a proposed class of former and current CHA residents sued the CHA for its voucher relocation practices under the Plan for Transformation, arguing that the CHA's actions violated the Fair Housing Act, among other laws.²¹ The plaintiffs' claims were in part based upon two studies over four years from Lake Forest College professor Paul Fischer which found that the overwhelming majority of residents who moved from public housing with HCVs were relocated to high poverty, racially segregated parts of Chicago.²² The *Wallace* plaintiffs alleged that the CHA was in violation of federal fair housing laws and its own contractual obligations by

failing to provide adequate relocation and effective social services to these residents. After two and one-half years of litigation, the parties entered into a settlement agreement.

Under the settlement agreement, CHA was to provide programs to *Wallace* class members to allow them to exercise their own choices in relocating to economically and racially integrated communities. The primary program utilized by CHA in implementing the settlement was the Enhanced Housing Opportunity Program (EHOP). Under EHOP, voucher holders were provided enhanced relocation and mobility counseling, including one-on-one counseling, social services, and van tours to opportunity areas and assistance in relocating. Voucher holders were offered housing in "EHOP neighborhoods," which are less than 24 percent poverty and less than 30 percent African-American. At the same time, private housing mobility counseling agencies were given extra incentives and obligations to encourage relocating public housing families to move to low-poverty, racially integrated parts of Chicago

The *Wallace* relocation programs have achieved mixed results. Since June 2005, CHA notified over 3,000 relocated families of the availability of EHOP. Of this number, 505 (about 17%) made the decision to enroll, and only 28 families moved to an EHOP Opportunity Area -- only 6% of the total number enrolled.²³ An additional 128 families (25% of total number enrolled) moved to low poverty areas that were greater than 30% African-American.²⁴ The majority of the families (242 or 48% of total enrolled) moved to areas of high poverty and high racial concentration.²⁵ The remaining families "ported out" (i.e. moved to another jurisdiction), were terminated from EHOP for cause or simply didn't move. Under the terms of the settlement, plaintiffs' counsel was permitted to monitor CHA's performance until June 2008.

²⁰ Section 204 of the Omnibus Consolidated Rescissions and Appropriations Act of 1996 (Pub. L. 104-134) established the Public Housing/Section 8 Moving to Work (MTW) demonstration program, of which CHA has been a participant since 2000.

²¹ *Wallace v. Chicago Hous. Auth.*, 298 F. Supp. 2d 710 (N.D. Ill. 2003).

²² Paul Fischer, *Section 8 and the Public Housing Revolution: Where Will The Families Go?* (1999); Paul Fischer, *Where Are The Public Housing Families Going? An Update* (2003).

²³ CHAC's year-to-date Participation and Outcomes Reports. Reports provided by CHAC for June 2005 to March 2008.

²⁴ *Ibid.*

²⁵ *Ibid.*

Giving HCV Families Real Choice

The segregated housing patterns of HCV recipients and the pro-integration potential of vouchers has long been known. Despite this knowledge, several factors have continued to frustrate efforts to provide real housing choice to low-income households who receive HCVs. A key challenge is longstanding patterns of racial and economic segregation in Chicago, of which some blame can be laid at CHA's door (see Gautreaux and Latinos United above). Historically, the Chicago metropolitan area has been identified as "hyper-segregated" because there are so many communities that are either nearly all Black or all White.²⁶

Although efforts via the Gautreaux program to open up White communities to Black Chicago public housing residents were initially relatively successful, these pro-integrationist patterns were not sustained over time. Furthermore, while CHA housing discrimination has historically been discussed as a "Black-White" issue, the denial of access for Latinos was brought to the forefront by the Latinos United lawsuit. Notwithstanding this litigation to open doors of opportunities for Latino families through the voucher program, the number of Latinos in such programs continues to be disproportionately low. As of December 2008, Latinos constituted 10 percent of HCV head of households, although the eligible population is closer to 30 percent.

These data strongly support the need to expand affirmative outreach efforts to promote Latino access to the HCV program as well as to make sure all voucher holders, including those with disabilities, have real choice in where they can live. This means, however, that much more attention needs to be given to strategies that can further fair housing goals for all people. A critical factor to address is the *institutional* barriers that limit where people with HCVs move to and live.

Research conducted by the Urban Institute before the CHA Plan was implemented identified several institutional barriers that would likely limit where public housing families relocating with HCVs might live.²⁷ These barriers

²⁶ Douglas Massey and Nancy Denton, *American Apartheid: Segregation of the Making of the Underclass*. Cambridge: Harvard University Press, 1993. Pg. 74; Krysan, Maria, *Racial Residential Segregation and Exclusion in Illinois*, Institute of Government and Public Affairs, University of Illinois at Chicago. Pg. 35 (based on the 2000 Census, Black-White segregation in the Chicago metropolitan area was the fifth highest in the nation).

²⁷ Susan Popkin and Mary Cunningham, *Searching for Rental Housing with Section 8 in the Chicago Region*, The Urban Institute, 2000. Available at: <http://www.urban.org/uploadedPDF/410314.pdf>

included: discrimination based on race, family size and status; having a disability; being from the CHA; and the housing choice voucher itself. The report noted that "[t]his finding highlights the need to effectively address the barriers identified in this and our earlier research to help bring about better outcomes for all participants."²⁸ Many of the barriers identified in the Urban Institute report regarding public housing relocatees apply with equal force to non-public housing families seeking to use an HCV, including possible discrimination based on race, family size and status, disability, and discrimination against the voucher itself.²⁹

Experience from these programs shows that HCV administrators, at a minimum, must be intentional about conducting affirmative outreach and promoting mobility moves, and providing necessary program structure in order to improve access and housing mobility outcomes. Current mobility programs vary depending on whether or not the household is relocating from public housing. Public housing households relocating with vouchers for the first time are offered privately- contracted housing counseling programs focused either on moving families to "low-poverty" neighborhoods (defined as less than 23.49% poverty per census tract) or "opportunity" neighborhoods (defined as less than 23.49% poverty and less than 30 percent African-American per census tract). Relocation services for this population include neighborhood tours, unit showings, and educational programs, all focused on encouraging a low-poverty or opportunity move. For all other CHA voucher holders (including former public housing residents making a second move with a voucher) the CHA relies upon a formula created by Ohio State University Law School professor jon powell.³⁰ Under this formula, opportunity areas are defined by community areas that have better schools, lower crime, low poverty, and employment opportunities. The following map shows the areas currently identified as opportunity areas by the CHA.³¹

²⁸ *Ibid*, p ii.

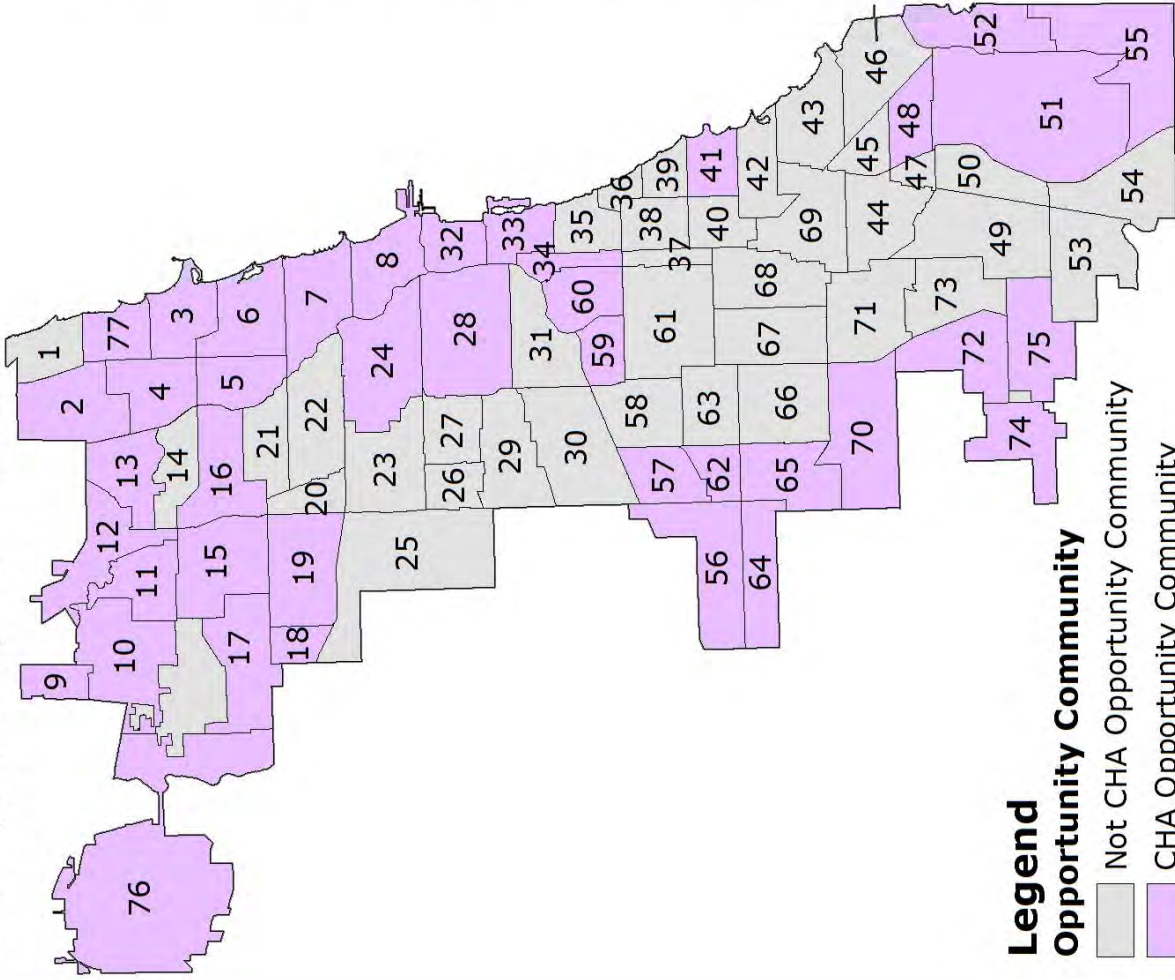
²⁹ See Lawyers Committee for Better Housing, Locked Out: Barriers to Choice for Housing Voucher Holders, <http://lcbh.org>

³⁰ For more explanation of powell's model of opportunity-based housing, see powell, jon a. "Opportunity Based Housing." *Toward the Livable City*. Ed. Emilie Buchwald. Minneapolis: Milkweed Editions, 2003, pp. 181-211.

³¹ Accessed February 1, 2010 at <http://www.thecha.org/>

CHA Opportunity Communities and Family Poverty Rate

CHA Opportunity Communities

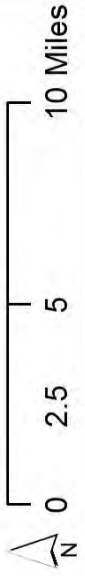


Legend

- Not CHA Opportunity Community
- CHA Opportunity Community

Data Source: Chicago Housing Authority
 Illinois Assisted Housing Action Research Project (2000)

CA	Community Name	Poverty
1	Rogers Park	17.9%
2	West Ridge	12.5%
3	Uptown	21.7%
4	Lincoln Square	9.2%
5	North Center	6.2%
6	Lake View	5.1%
7	Lincoln Park	4.2%
8	Near North Side	13.6%
9	Edison Park	1.5%
10	Norwood Park	2.8%
11	Jefferson Park	3.8%
12	Forest Glen	1.7%
13	North Park	7.7%
14	Albany Park	15.1%
15	Portage Park	5.8%
16	Irving Park	9.1%
17	Dunning	3.5%
18	Montclare	3.9%
19	Belmont Cragin	9.4%
20	Hermosa	15.8%
21	Avondale	15.3%
22	Logan Square	17.5%
23	Humboldt Park	28.7%
24	West Town	18.1%
25	Austin	20.6%
26	West Garfield Park	31.1%
27	East Garfield Park	28.7%
28	Near West Side	30.1%
29	North Lawndale	41.7%
30	South Lawndale	23.7%
31	Lower West Side	24.6%
32	Loop	1.7%
33	Near South Side	29.8%
34	Armour Square	27.5%
35	Douglas	36.4%
36	Oakland	45.1%
37	Fuller Park	32.2%
38	Grand Boulevard	43.8%
39	Kenwood	17.2%
40	Washington Park	49.4%
41	Hyde Park	8.1%
42	Woodlawn	34.6%
43	South Shore	24.0%
44	Chatham	14.6%
45	Avalon Park	7.8%
46	South Chicago	25.6%
47	Burnside	23.4%
48	Calumet Heights	9.3%
49	Roseland	14.2%
50	Pullman	18.4%
51	South Deering	17.2%
52	East Side	10.4%
53	West Pullman	19.3%
54	Riverdale	53.6%
55	Hegewisch	8.1%
56	Garfield Ridge	8.7%
57	Archer Heights	5.7%
58	Brighton Park	15.0%
59	Mckinley Park	12.3%
60	Bridgeport	15.0%
61	New City	30.4%
62	West Elsdon	4.8%
63	Gage Park	16.7%
64	Clearing	5.6%
65	West Lawn	5.2%
66	Chicago Lawn	17.0%
67	West Englewood	28.4%
68	Englewood	39.9%
69	Greater Grand Crossing	25.5%
70	Ashburn	5.8%
71	Auburn Gresham	18.2%
72	Beverly	2.4%
73	Washington Heights	9.7%
74	Mount Greenwood	2.5%
75	Morgan Park	9.3%
76	O'Hare	5.7%
77	Edgewater	14.3%
	City Average	16.6%



Looking at Choice Differently

Until recently, choice has been looked at purely through race and poverty lenses. Both trace roots back to fair housing laws and a common understanding of integration for more than 50 years. Most agree now that this is perhaps too narrow of a view, and that other indicators are also important especially in communities where many voucher recipients now live. This includes looking at communities in terms of health. This does not mean we should abandon the need to consider race or income; rather we are proposing that we expand our view of opportunity to include other indicators. In addition, looking at choice differently means that we must acknowledge wide swathes of the city that need to be improved to benefit all families including voucher holders.

In this IHARP report, we start with the assumption that *all* voucher holders should be living in healthy communities. While there are different definitions of what makes a community healthy, research has shown that certain factors, including living in high poverty and/or segregated neighborhoods, have often been associated with poor or lower levels of health. As a recent Robert Wood Johnson report describes:

Socioeconomic and racial or ethnic segregation can influence neighborhood conditions – and thus health – in a variety of ways, including the funding and quality of public schools, employment opportunities, housing quality, municipal services, and hazards such as pollution, noise, and crime. Historically, poor neighborhoods have been more vulnerable than affluent areas to effects of reduced public spending. These neighborhood differences can contribute to health disparities, given disproportionate access to resources and exposures to harmful conditions.³²

In addition, we know that the built and natural environment makes a difference in terms of a family's health. This includes the housing unit and the neighborhood.³³

If the promise of its name is to be realized, the HCV program administered in Chicago must do more to ensure that voucher recipients can *really choose* to live in healthy communities. This means widening the definition of opportunity to include environmental health risks, exposure to crime, transportation, and housing stability. Expanding the definition of opportunity is technically easy. As the maps in this report illustrate, the real challenge will be in finding Chicago neighborhoods that

meet the criteria. A solution to this problem – though not an easy one – is finding ways to pro-actively create more communities *within the city of Chicago* that are healthy for voucher users as well as the people who live there without housing assistance. Moving the HCV program in Chicago toward this goal will take time and resources that go well beyond the scope of the CHA. As with the Plan for Transformation, it will take many partners including those working in city departments (community development, public health, transportation, etc) but also community-based organizations of which there are many strong and well positioned (though often under-resourced) groups working in the very communities where voucher holders currently live. This includes several LISC New Communities Program (NCP) lead agencies and partners. The question to ask is: where are voucher holders in these plans and how are they viewed in the community? The same question needs to be asked of any plans made for all other neighborhoods in the city including those that currently only have a few voucher holders – communities that may already be healthy.

It will also take a real shift in how public officials, the CHA, and some housing researchers and advocates look at the *current* location of voucher holders. Whether through MTO or the MTW plan, efforts to promote moves to “low poverty” communities during the past ten years have not changed the pattern of HCV concentration and segregation. The data presented in this report as well as previous studies suggest that these programs have likely contributed to rather than helped mitigate segregative moves made by voucher holders. A key factor has been the CHA's designated poverty threshold for determining when a community has a low rate of poverty and thus a good opportunity for voucher families. The CHA considers any community with less than 23.49% poverty to have a low rate of poverty (though the City average is 17%). Because significantly more Black communities with less than 23.49% poverty have affordable rental housing than low-poverty White communities, this designation further impacts voucher choice.

Changing these conditions will require the CHA to significantly increase its affirmative outreach to all HCV recipients regarding making a mobility move and also targeting voucher families living in some of the most impacted neighborhoods. Experience shows that these programs have to be offered well in advance of a family considering moving to a new home, so that sufficient time is available to explore new neighborhoods. Truly expanding choice also means reaching out to new landlords, to grow the base map of housing opportunity throughout the city as well as the region.

³² Robert Wood Johnson *Where We Live Matters for Our Health: Neighborhoods and Health*, Sept 2008, p. 4.

³³ *Ibid.*

Recommendations

1. The CHA, the City of Chicago, and public housing authorities and public officials in the region must all do more to affirmatively further fair housing and work cooperatively to see that this occurs. In terms of racial and ethnic segregation, the distribution of HCVs today is not significantly different from what we saw a decade ago. In fact, there appears to be an increased number of African American communities with HCV holders since CHA's Plan for Transformation began. Promoting opportunity moves to low-poverty, racially and ethnically diverse neighborhoods must become a greater, permanent priority for the CHA and motivate planning and decision-making throughout the organization.

CHA has recently announced two positive proposals in this regard:

(1) In FY2009, it created a Fair Housing Compliance Department in its Office of General Counsel to oversee a "comprehensive fair housing testing program [that] will allow CHA to evaluate compliance with local, state and federal fair housing laws." According to CHA, it "will utilize the data and analysis to understand impediments to fair housing compliance and develop initiatives that affirmatively further fair housing policies;" and

(2) CHA states that it "also intends to develop a fair housing training program that provides education to landlords, property managers, CHA staff and residents/applicants on their rights and responsibilities under the law and that specifically addresses any deficiencies addressed in the testing analysis. In tandem with both the testing and training, CHA will work with fair housing providers throughout the region to coordinate efforts to affirmatively advance fair housing and expand housing choice options for CHA families and HCV Program participants."³⁴

Both of these proposals should be supported because they show a willingness from CHA to try to institutionalize its duty to affirmatively further fair housing and to partner with existing fair housing providers to reach this goal. CHA must be transparent, however, about the progress and challenges it faces as

³⁴ Chicago Housing Authority, FY2010 MTW Annual Plan, October 22, 2009, p. 27.

it develops and implements these proposals. For example, fair housing providers learned that CHA intended to (or did) issue a Request for Proposals for its testing program, only to later hear that the RFP has been delayed. Accordingly, although these proposals are a positive step for CHA, it must follow-through on a timely basis on what it says it intends to do. Further, as discussed below, CHA must go further to ensure that its entire operation is in compliance with fair housing laws – it must actively work with fair housing groups to ensure that prospective landlords are also complying with the laws.

2. The CHA should partner with an established mobility housing counseling agency to provide education and services to all HCV holders regarding opportunity moves and not just for residents relocating from public housing. Under its MTW agreement, CHA "is required to provide pre-move counseling, assistance in accessing services and Housing Choice Voucher mobility counseling (sufficient to educate residents to the point where they can make informed choices and secure adequate housing) and post-move counseling for all residents to be relocated from public housing buildings to be demolished or redeveloped." It is also required to "provide second move mobility counseling to all existing Housing Choice Voucher families who indicate an intention to move, or who must move for various reasons."³⁵

HCV holders as a class tend to be concentrated in high poverty and racially and ethnically segregated communities. CHA should therefore offer housing mobility counseling services as set forth in the MTW Agreement to all HCV holders. To do this effectively, CHA should contract with a fair housing group in the Chicago metropolitan region that has the knowledge and experience to administer a mobility counseling program. For example, in 2008, the Rockford Housing Authority (RHA) hired Chicago-based Housing Choice Partners (HCP) to help them create a housing mobility program for former public housing families and ultimately all of the RHA's voucher households.³⁶ In just one year, with HCP's guidance, the RHA was able to help 27 percent of the families of one former public housing development move to areas of opportunity (and of those who participated in the program, 65 percent are now living in an opportunity area).³⁷ These families are now living in communities with less

³⁵ Recommendation #12 of the amended and restated MTWA, attachment D.

³⁶ Housing Choice Partners of Illinois, Final report on the Rockford Housing Authority's development of a mobility program, August 31, 2009.

³⁷ *Ibid.* at p. 8.

racial segregation (down by almost 40%) and less than half the poverty rate of their former communities.³⁸ During its one year consultation, HCP trained staff (including senior level RHA staff, HCV staff, and housing counseling staff), created mobility education materials specific to the RHA, its voucher holders, and the community, created a marketing plan for participation by landlords in opportunity areas, and ensured that the proper support and assistance was available to HCV households during pre-move, move, and post-move.³⁹

3. The CHA should use the flexibility granted pursuant to its Moving to Work (MTW) agreement with HUD to aggressively promote opportunity moves and to affirmatively further fair housing goals.

MTW's goals are to improve cost effectiveness in federal housing programs, provide incentives to families who work or encourage others to become employed and become economically self-sufficient, and *increase housing choices for low-income families*. MTW gave participating public housing authorities flexibility and the opportunity to be creative in their approach to providing federal housing assistance. Since its initial participation in MTW in 2000, CHA and HUD have entered into seven agreements waiving various provisions of the U.S. Housing Act of 1937 and its implementing regulations. During the MTW demonstration, CHA is also permitted to request the use of public housing operating subsidy and HCV funding for other uses in order to further the goals of the MTW program. CHA should consider how this funding flexibility can be used to affirmatively further fair housing and implement programs, such as the HCP/RHA model described above or holding payments for landlords in opportunity areas that does so.⁴⁰

4. Congress must enact the federal Section 8 Voucher Reform Act. Congress is currently considering the Section 8 Voucher Reform Act (SEVRA) H.R. 3045, which contains many provisions that would improve HCV program administration and decrease some of the institutional barriers to HCV holders making opportunity moves. The Center for Budget and Policy Priorities provides detailed and up-to-date information regarding SEVRA including a side-by-side comparison of current and proposed law.⁴¹ While still

to be determined, the changes will more than likely address many structural problems of the program that currently limit rather than expand choice.

5. The CHA and public housing authorities in the region should conduct an information campaign to dispel myths and educate people about the HCV program.

The HCV program can be confusing, and there is a great deal of misinformation about what it is, how it works, and how a landlord or tenant can participate. In order to expand housing options for HCV holders, CHA must educate prospective landlords (particularly those owners with properties in areas of opportunity) and current and prospective voucher holders about what the HCV program really is and how it actually works. CHA must also challenge the myths and discriminatory attitudes that surround the program. Under its MTW agreement, CHA is under an obligation to conduct such an information campaign.

6. The CHA should increase outreach and program participation to traditionally underserved racial and ethnic groups. CHA must ensure that the HCV program is open to participation by all racial and ethnic groups, and that there are not institutional barriers to participation, such as language access. This is particularly important as CHA considers how it will move forward with its Plan for Transformation.

7. Advocates and public officials should request that HUD develop more targeted Fair Market Rents. HUD uses wide metropolitan geographic areas to set the Fair Market Rents (FMRs) that will be paid under the HCV program. Given the rent level diversity for the Chicago metropolitan area, using this model results in FMRs that are often higher than the actual market rents for lower-quality units in high poverty, racially segregated areas and lower than the actual market rents for higher-quality units in mixed or low poverty "opportunity" areas. As a result, the CHA may end up paying more than the current market rate for worse quality units, which are often also in segregated neighborhoods. The CHA and advocates must persuade HUD to use an FMR formula that focuses on more targeted rent areas, which would, in turn, open up opportunities areas as affordable, available housing for HCV households.

8. The CHA should use the maximum allowable Fair Market Rent in opportunity areas. Even if HUD does not develop more targeted FMRs as proposed above, CHA can still provide HCV holders with greater access to units in opportunity areas by using a 50th percentile FMR in these areas, as it is allowed to do under the MTW. Ten years ago, the CHA permitted higher or "exception" rents in 14 predominantly White, higher

³⁸ *Ibid.*

³⁹ *Ibid.* at 1-8.

⁴⁰ Specific CHA plans and activities are difficult to ascertain from a review of its website and other publicly available documents. As a publicly funded agency, CHA should be more transparent in terms of providing clear and detailed information in a consistent format so that their activities and initiatives can be reviewed and understood.

⁴¹ Go to <http://www.cbpp.org/files/4-28-09hous-prac.pdf>.

income communities in Chicago as a way to create opportunity and to encourage more racial and economic diversity: West Ridge, Hyde Park, Montclair, Dunning, North Park, Forest Glen, O'Hare, Jefferson Park, Lakeview, Lincoln Park, Near North, Edison Park, Norwood Park, Beverly, and Mount Greenwood.⁴² As the data in this report indicate, very few HCV households have lived or currently live in these communities. While we do not know if there was interest among voucher holders to move into these areas, we do know that exception rents are no longer granted for these opportunity communities.

9. The CHA should incentivize landlords with units in opportunity areas to participate in the HCV program.

One of the incentives for landlords to participate in the HCV program is the prospect of a guaranteed rental payment from a government agency. There are also undeniable transaction costs – such as increased paperwork and the potential for delay – for a participating landlord, particularly if the landlord's unit is in an opportunity area and/or there is a tight rental market. By ensuring that its HCV program is efficient and sensitive to these financial and market constraints, the CHA can reduce many of these transactions costs and incentivize landlords with units in opportunity areas to participate. Bottlenecks and delays, particularly in terms of processing paperwork, conducting inspections, and making rental payments, are clear disincentives to landlords with desirable units. CHA can change this. CHA should also use the flexibility provided to it under its MTW agreement to reinstate certain incentives for units in opportunity areas, such as an inspection holding payment and, as discussed above, increased payment standards and exception rents.

10. The CHA should incentivize HVC holders to make opportunity moves.

Voucher holders also need incentives to consider unfamiliar communities. As part of its information campaign, CHA should reach out to voucher holders and soon-to-be voucher recipients to begin a discussion about opportunity moves. CHA should also provide other services to assist voucher holders to learn about new communities, e.g., by offering neighborhood van tours, providing information about schools and safety issues, introducing them to families who have made opportunity moves, etc. CHA's assistance to HCV holders who make opportunity moves should continue post-move, to ensure that these households have the support necessary to successfully transition to a new

neighborhood. In addition, to the extent that HCV holders face discrimination because of the source of their income (or other protected class) during their search, CHA should extend the search period for the voucher recipients who file discrimination complaints with a local, state or federal agency or state or federal court. The CHA should also liberally grant extensions of time requests for families attempting to move to areas of opportunity.

11. Elected officials should enact passage of source of income protections.

Chicago currently prohibits discrimination against a tenant because of his or her source of income, which includes an HCV. However, for the voucher program to provide real choice, HCV recipients must not be discriminated against solely because of the source of their income no matter where they search. Passage of stronger legal protections for voucher recipients in the state would open areas of the region now currently closed because of discrimination against the Section 8 program and the tenants who use the subsidy. In the past, the CHA has worked with advocates to amend the Illinois Human Rights Act to include source of income as a protected class. The CHA should now work with advocates to eliminate the exclusion of voucher holders from the source of income protection law in Cook County.

12. HUD should provide incentives for public housing agencies to cooperate with regard to portability.

Under its MTW agreement, "CHA is authorized to establish its own portability policies with other MTW and non-MTW housing authorities." Helping HCV households move outside of the CHA's jurisdiction is critical to ensuring low-income families have all available fair housing choices. However, public housing authorities in Illinois and elsewhere frequently struggle with how to easily and efficiently negotiate the porting process, meaning that households desiring to move are often discouraged from moving.

A recently completed "portability pilot program" that involved HCP, the CHA, the Housing Authority of Cook County and the Cicero Housing Authority "argue for a new approach to housing mobility in the Chicago area."⁴³ A key finding was that despite many challenges working across the different housing authorities involved, HCP was able to move 25 percent of the 246 participants to opportunity areas during the course of the one year pilot program. This was at a cost of approximately \$2,000 per household making a mobility move. This was lower than the average

⁴² According to a CHAC memo dated October 2, 2007, there were six exception rent areas at that time: Lakeview, Lincoln Park, Loop, Near North, North Center, and O'Hare.

⁴³ Paul Fischer, Evaluation of the Portability Pilot Program, August 27, 2009, p. 13.

administrative cost per opportunity move in the MTO experiment and in a recent CHAC program.⁴⁴ Fischer concludes that:

the success of the HCP...argues for a renewed look at a more regional approach to mobility run by a third-party vendor like HCP with its years of experience and core commitment to housing mobility. The problem with using housing authorities for mobility is they often times lack the expertise and more importantly the commitment to mobility as an important goal of the voucher program.⁴⁵

This project, which came out of the Housing Choice Working Group co-chaired by the Regional HUD office and the Metropolitan Planning Council, should be extended and expanded with the direct support of HUD.

13. The CHA and HUD should increase project-based vouchers in targeted neighborhoods. Under the project-based voucher program, a property owner commits a certain number of units in a particular building for vouchers, and the PHA attaches voucher assistance to these units. PHAs can project-base up to 20 percent of their vouchers (or more accurately, 20% of their voucher funding may go to project-based vouchers), provided that they do so within the statutory goals of "deconcentrating poverty and expanding housing and economic opportunities." All new project-based assistance agreements or HAP contracts must be for units in census tracts with poverty rates below 20 percent (66 Fed. Reg. 3,605, January 16, 2001).

Similarly, PHA's are not allowed to project-base more than 25% of the units in a given building. Under the MTW, however, the CHA has more flexibility, and may project-base a greater percentage of their vouchers. Families living in the project-based voucher units may, after one year of occupancy, relocate without losing their subsidy. After a year, they can choose to move with the first available tenant-based voucher from turnover in the PHA's voucher pool. The subsidy therefore stays with the unit, and the tenant gets the first available voucher. Typically, under the project-based voucher programs, the HAP contracts are ten years, with a 10-year renewal.

The CHA has committed 219 project-based vouchers to the Regional Housing Initiative (RHI), which is a consortium of housing authorities from the Chicago Metropolitan Area, Metropolitan Planning Council,

⁴⁴ *Ibid*, pp. 11-12.

⁴⁵ *Ibid*, pp. 13-14.

and the Illinois Housing Development Authority. The RHI is committed to fostering the construction of affordable housing in areas of opportunity, particularly those communities near job and transportation centers. The CHA should continue to utilize this authority with project-based vouchers, particularly as a way to help typically hard to house larger HCV households move to areas of opportunity.

14. The CHA and the City of Chicago should increase outreach and services to voucher holders that reside in buildings that are in foreclosure. The current foreclosure crisis is affecting not just homeowners, but also landlords across the city. Given the sometimes lengthy searches HCV holders have to undertake to find suitable units, CHA should ensure that voucher recipients in buildings that are in foreclosure or that have been foreclosed upon know their rights and have sufficient time to seek another unit. Tenants who must leave a building that has been foreclosed upon should not be penalized because of this circumstance beyond their control. The CHA should offer emergency moving papers to HCV holders in properties facing foreclosure and should, at the same time, use this unexpected move as a chance to help the HCV families move to better neighborhoods.

15. The City of Chicago and the CHA should invest in all communities. In addition to promoting opportunity moves, CHA must also look at where its HCV recipients are currently residing, and work to make these "healthy communities" (as this report defines above) as well. HUD is now partnering with the Department of Transportation and the Environmental Protection Agency to work together to promote more livable communities:

A livable community must be both equitable and affordable. Livability is about more than just being efficient - we must also be inclusive. In order for our neighborhoods to thrive, our regions to grow, and our nation to prosper, we must support communities that provide opportunities for people of all ages, incomes, races and ethnicities to live, work, learn and play together.⁴⁶

Locally, policy makers must work across agency lines to provide decent affordable housing in safe communities with good schools and good public transportation options. CHA has an obligation, which it recognizes, to provide not just housing, but housing that is open, safe and decent for all voucher program participants.

⁴⁶ HUD-DOT-EPA Interagency Partnership for Sustainable Communities, June 16, 2009.

Maps and Data

The following maps and data are from various sources. The 1998 HVC data is from CHAC, the contractor administering the program for the CHA between 1995 and 2008. It was provided with permission from CHA in early 1999. The 2003 and 2007 data for HCV holders is based on *all* households that are identified as being in the CHA voucher program between January 1, 2000 and December 31, 2007. These data, which were provided by HUD, are considered to be “complete” based on the information provided by the public housing authorities to HUD. At times, missing or incomplete information makes analysis more difficult. In particular, incomplete address information makes it impossible to determine the neighborhood level (census tract) location of all voucher households. This missing data issue is reflected in our maps and analysis, and we attempt to call attention to the issue and to measure its extent as it arises. Furthermore, CHA relocatees that have moved with vouchers are not easily identified in the data, which makes tracking movement and location more difficult.

Other data comes from the City of Chicago public health and from the US Census.⁴⁷ In order to show community area distribution of HCVs relative to housing conditions (affordability, tenure), we relied on 2000 census data, which is the most current data available at the census tract level at this time. While other data exist (e.g., CHA maintains a database of apartments and landlords active in the HCV program along with comparables to gauge rent appropriateness), the 2000 census is non-biased (i.e., not self-selected or non-random sample) and therefore more reliable, and is relatively unchanged in terms of overall patterns.⁴⁸

Table 1. Date of Admission to HCV program

Date	Count	Percent
Before 1980	318	1.0%
1980-1984	940	2.8%
1985-1989	1,993	6.0%
1990-1995	2,329	7.0%
1995-1999	8,950	26.9%
2000-2004	13,507	40.5%
2005-2007	5,251	15.8%
Undetermined	4	0.0%
No Data	23	0.1%
TOTAL	33,315	100.0%

Table 2. Date of Admission to HCV program

Date	Count	Percent
Before 2000	14,530	43.6%
2000	2,376	7.1%
2001	2,522	7.6%
2002	3,731	11.2%
2003	3,183	9.6%
2004	1,695	5.1%
2005	2,063	6.2%
2006	1,407	4.2%
2007	1,781	5.3%
Undetermined	4	0.0%
No Data	23	0.1%
TOTAL	33,315	100.0%

Table 3. HCV units per Landlord

Total Participating Landlords	15,473
Max Units Held by 1 Landlord	216
Landlords with more than 100 Units	10
landlords with more than 50 units	34
Landlords with > 40 Units	51
landlords with >30 Units	80
Landlords with > 20 Units	127
Landlords with >10 Units	301
Landlords with > 5 Units	751

⁴⁷ Health data from the Community Area Health Inventory, Part 1: Demographic and Health Profiles, accessed from <http://egov.cityofchicago.org/city/webportal/>.

⁴⁸ Based on American Community Survey data from 2008 for Chicago.

Table 4. Households by Size

Number of People in Household	Total Number of Households	Percent	Total number people in household
1	9,898	29.7%	9,898
2	6,946	20.9%	13,892
3	6,419	19.3%	19,257
4	4,722	14.2%	18,888
5	2,725	8.2%	13,625
6	1,407	4.2%	8,442
7 +	1,198	3.6%	9,241
TOTAL	33,315	100.0%	93,243

Table 5. Unit size by number of households

Unit Size	Number of Households	Percent
Studio	830	2.5%
1	4,504	13.5%
2	9,776	29.3%
3	12,364	37.1%
4	4,091	12.3%
5	1,388	4.2%
6	282	0.8%
7	65	0.2%
8	15	0.0%
TOTAL	33,315	100.0%

Table 6. Head of Household: Disability Status

Disability Status	Number of households	Percent
Does not have a disability	22,299	66.9%
Does have a disability	11,016	33.1%
TOTAL	33,315	100.0%

Table 7. Head of Household: Gender

Female	29,062	87.2%
Male	4,253	12.8%
Total	33,315	100.0%

Table 8. Head of Household: Latino Status

Latino Ethnicity	3,677	11.0%
Non-Latino Ethnicity	29,638	89.0%
TOTAL	33,315	100.0%

Table 9. Head of Household: Race

White	4,521	13.6%
Black	28,713	86.2%
Native American	38	0.1%
Asian	57	0.2%
Hawaiian/Pacific Islander	6	0.02%

Table 10. Head of Household: Age

Age	Number of households	Percent
Under 20	30	0.1%
20-30	3,418	10.3%
30-40	8,402	25.2%
40-50	8,288	24.9%
50-60	6,925	20.8%
60-70	3,413	10.2%
70-80	1,873	5.6%
80-90	844	2.5%
90+	119	0.4%
Undetermined	3	0.0%
TOTAL	33,315	100.0%

Table 11. Average Gross Rent, Rent Paid to Owner, Housing Assistance Grant and Rent Paid by Family

	All Units	Studio	1 BDRM	2 BDRM	3 BDRM	4 BDRM	5+ BDRM
Rent to Owner	\$1,000	\$811	\$757	\$868	\$1,061	\$1,227	\$1,421
Gross Rent	\$1,113	\$847	\$804	\$952	\$1,183	\$1,406	\$1,650
HAP to Owner	\$765	\$574	\$555	\$644	\$788	\$950	\$1,142
Family Rent to Owner	\$233	\$237	\$201	\$224	\$271	\$274	\$279

Notes:

All values adjusted to 2009 dollars.

Rent to owner: Total monthly rent payable to the unit owner under the lease for the contract unit.

Gross rent: Total rent to paid to owner plus utility allowance

HAP to Owner: Amount of the housing assistance payment (HAP) to the unit owner.

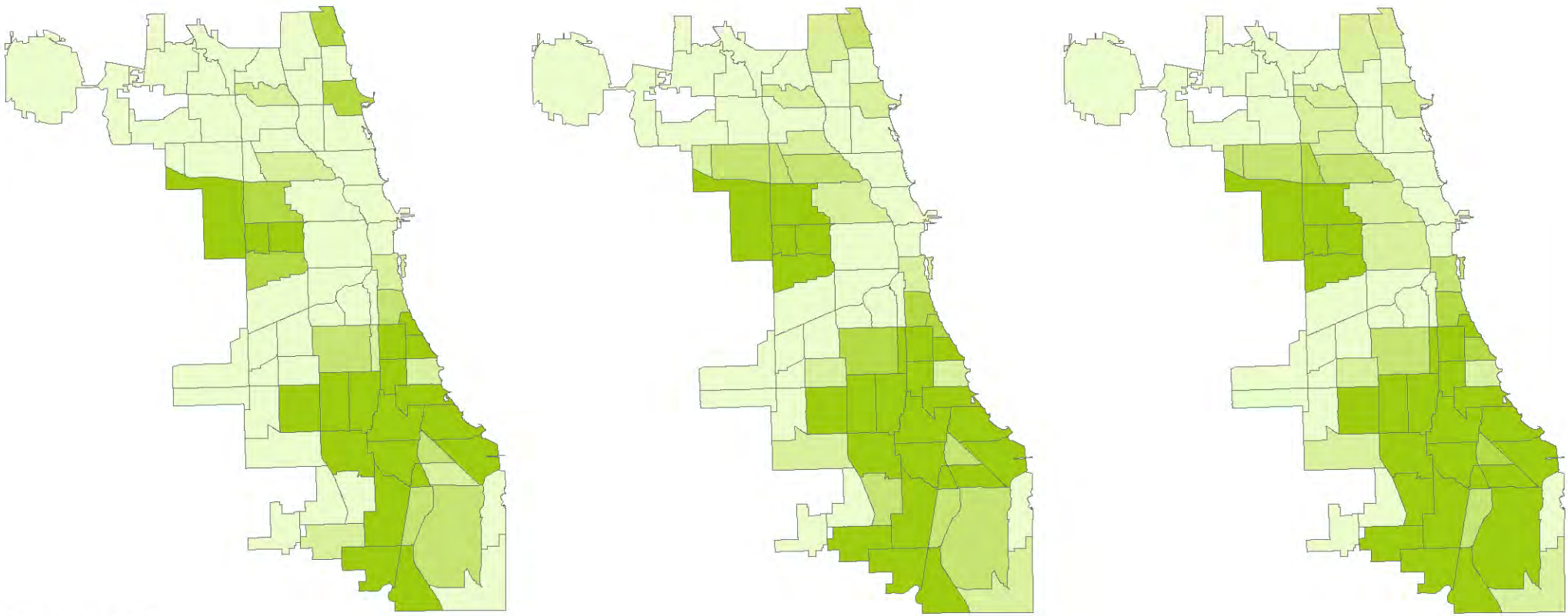
Family Rent to Owner: Amount the family pays to the owner after deducting the housing assistance payment (HAP) to owner

Figure 1: Housing Choice Voucher Households as % of Households 1998, 2003, 2007

1998

2003

2007



Legend

- 0% - 1%
- 1.1% - 2%
- 2.1% - 3%
- 3.1% - 4%
- > 4%

Data Source: U.S. Department of Housing and Urban Development
Chicago Housing Authority

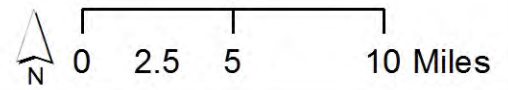
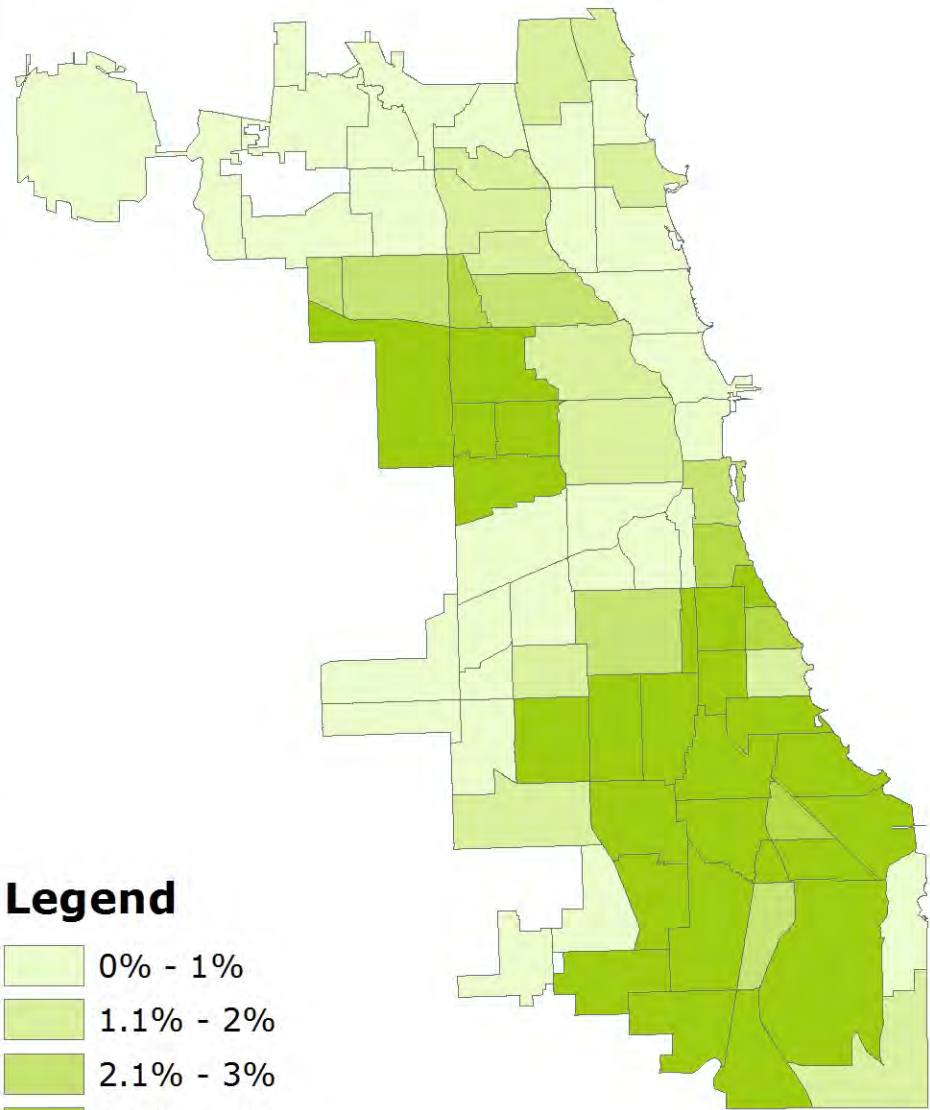


Figure 2: Top 20 Community Areas with Housing Choice Vouchers (% of Households)

HCV Households as % of all Households (2007)

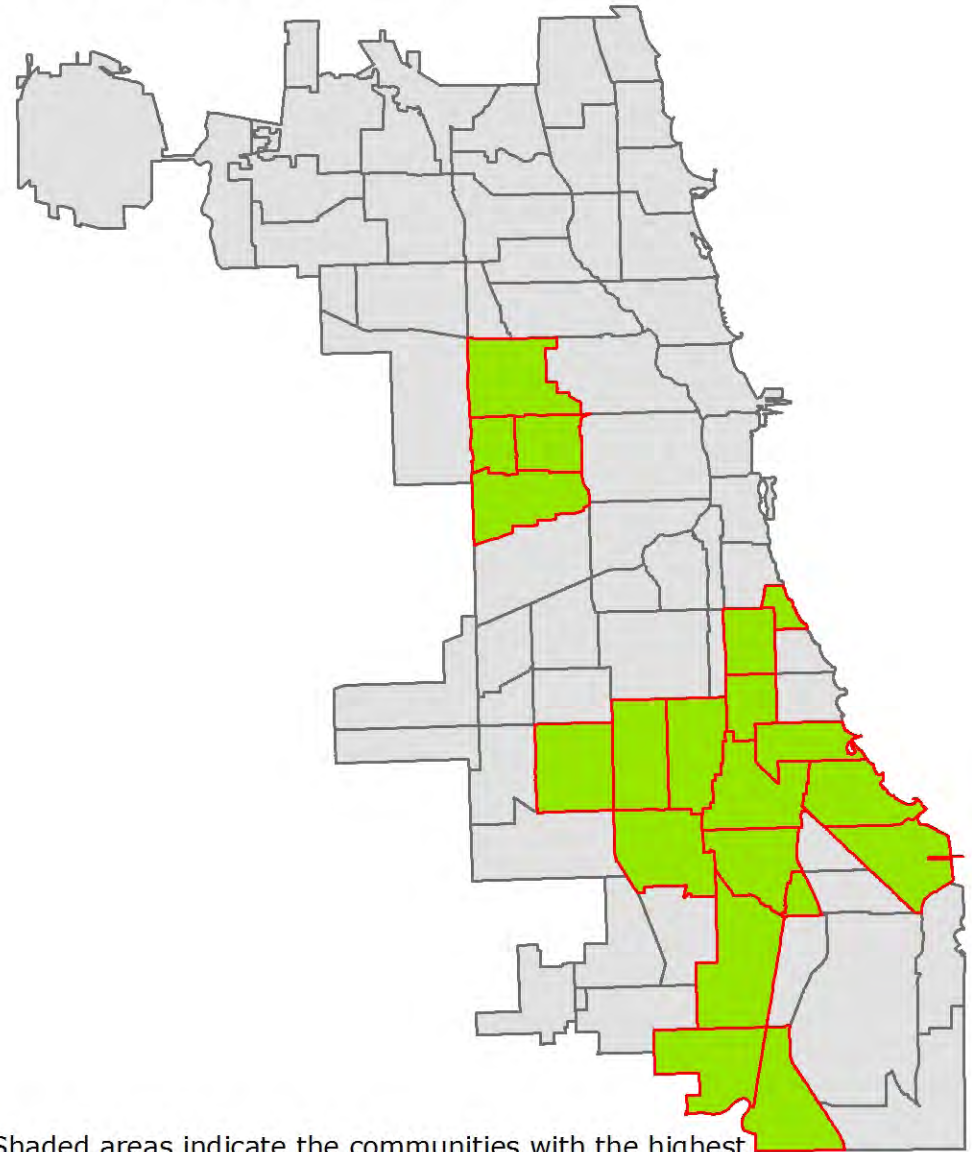


Legend

- 0% - 1%
- 1.1% - 2%
- 2.1% - 3%
- 3.1% - 4%
- > 4%

Data Source: U.S. Department of Housing and Urban Development

Top 20 HCV Community Areas (% of all Households)



Shaded areas indicate the communities with the highest proportion of Housing Choice Vouchers as percent of all households.

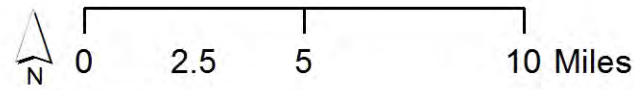
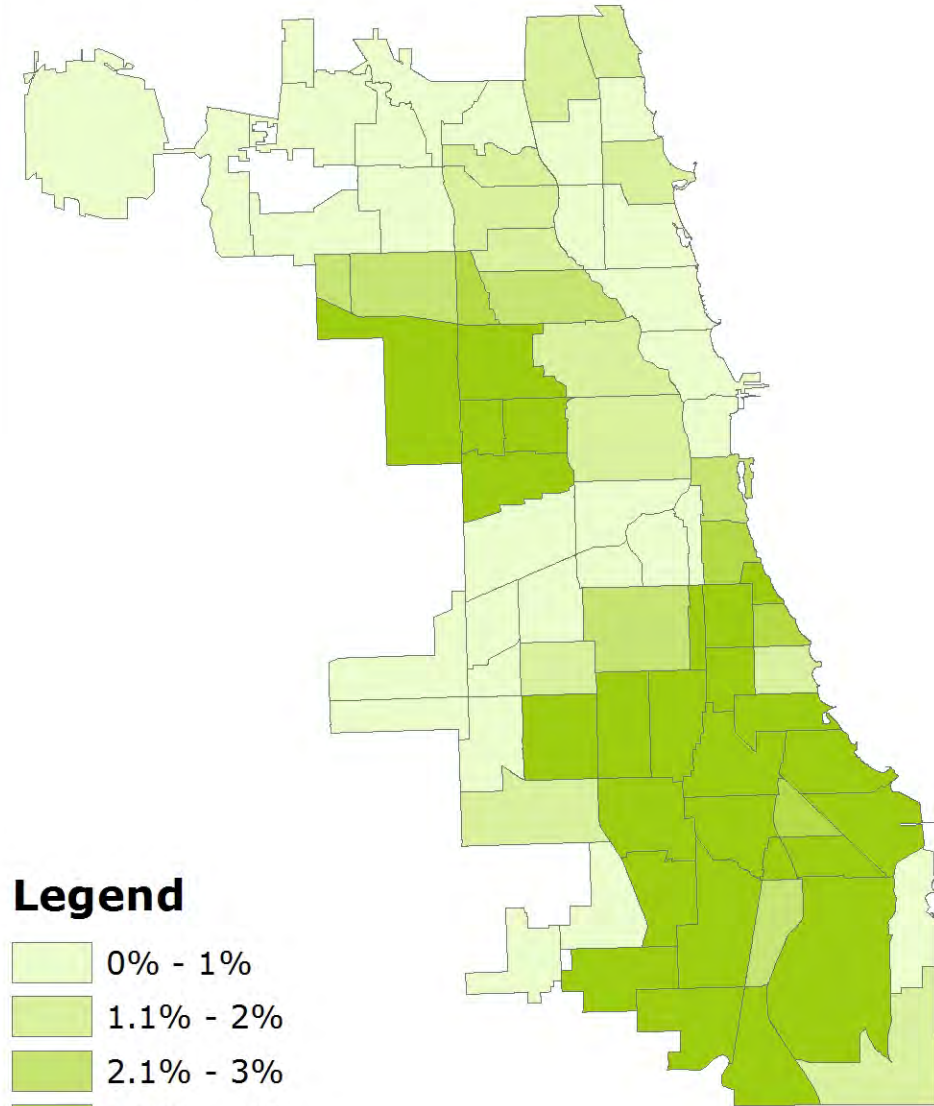


Figure 3: Housing Choice Voucher Households as % of African American Households

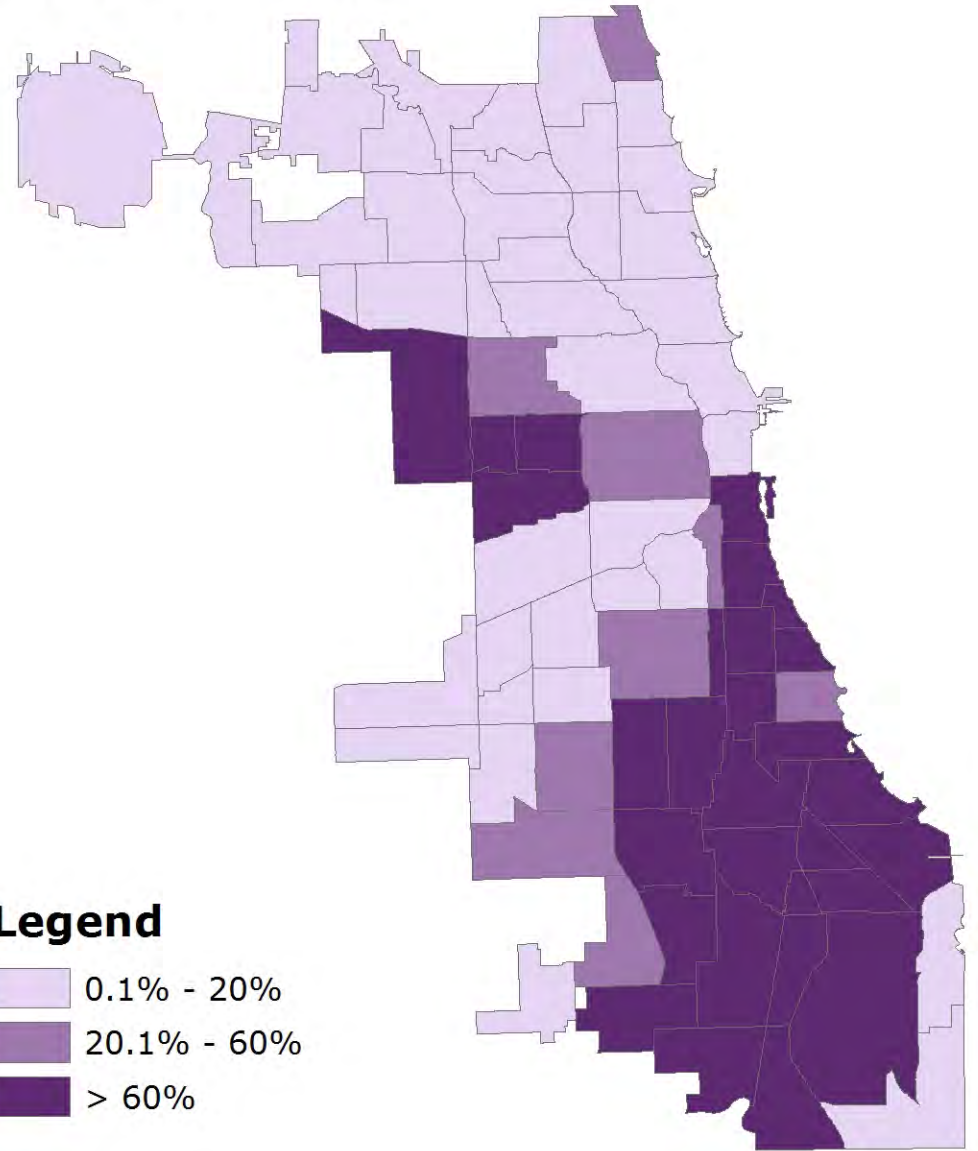
HCV Households as % of all Households (2007)



Legend

- 0% - 1%
- 1.1% - 2%
- 2.1% - 3%
- 3.1% - 4%
- > 4%

Percent African American Households (2000)



Legend

- 0.1% - 20%
- 20.1% - 60%
- > 60%

Data Source: U.S. Department of Housing and Urban Development
Illinois Assisted Housing Action Research Project (2000)

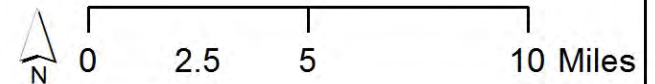
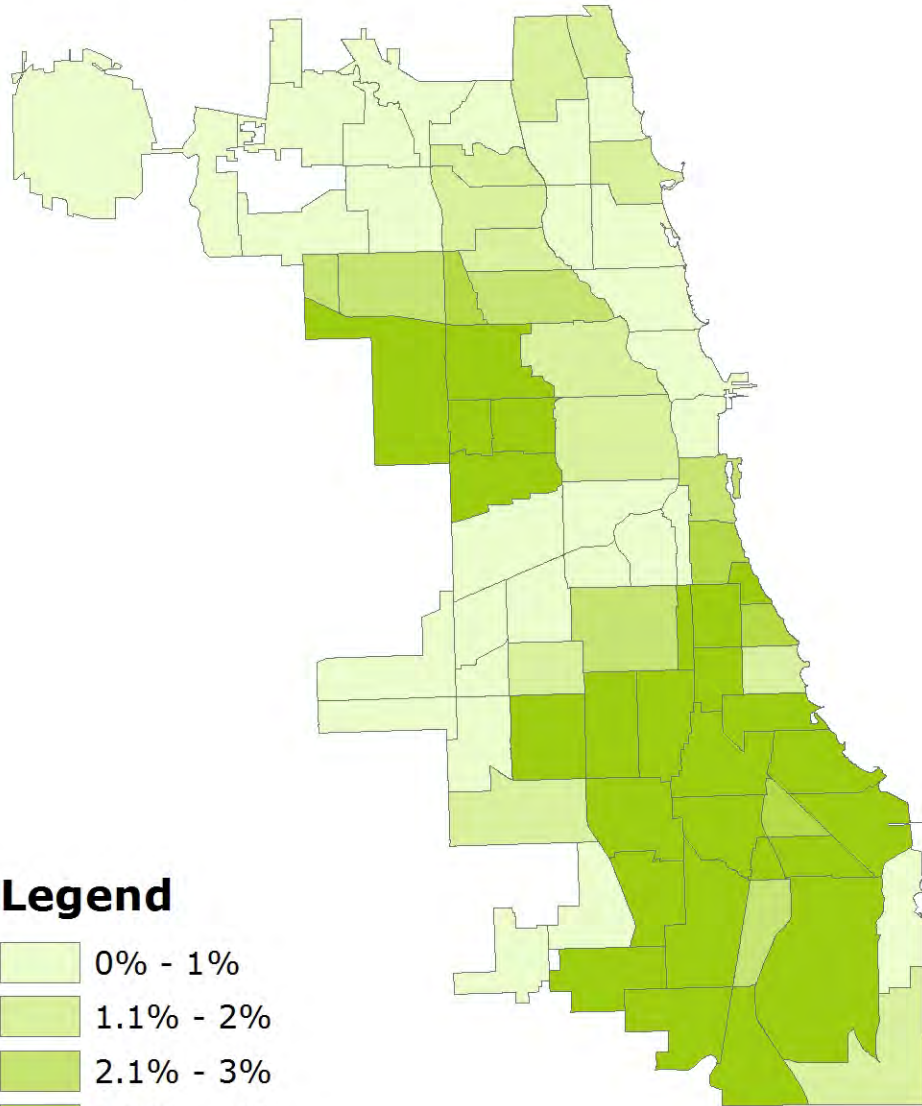


Figure 4: Housing Choice Voucher Households and Family Poverty Rate

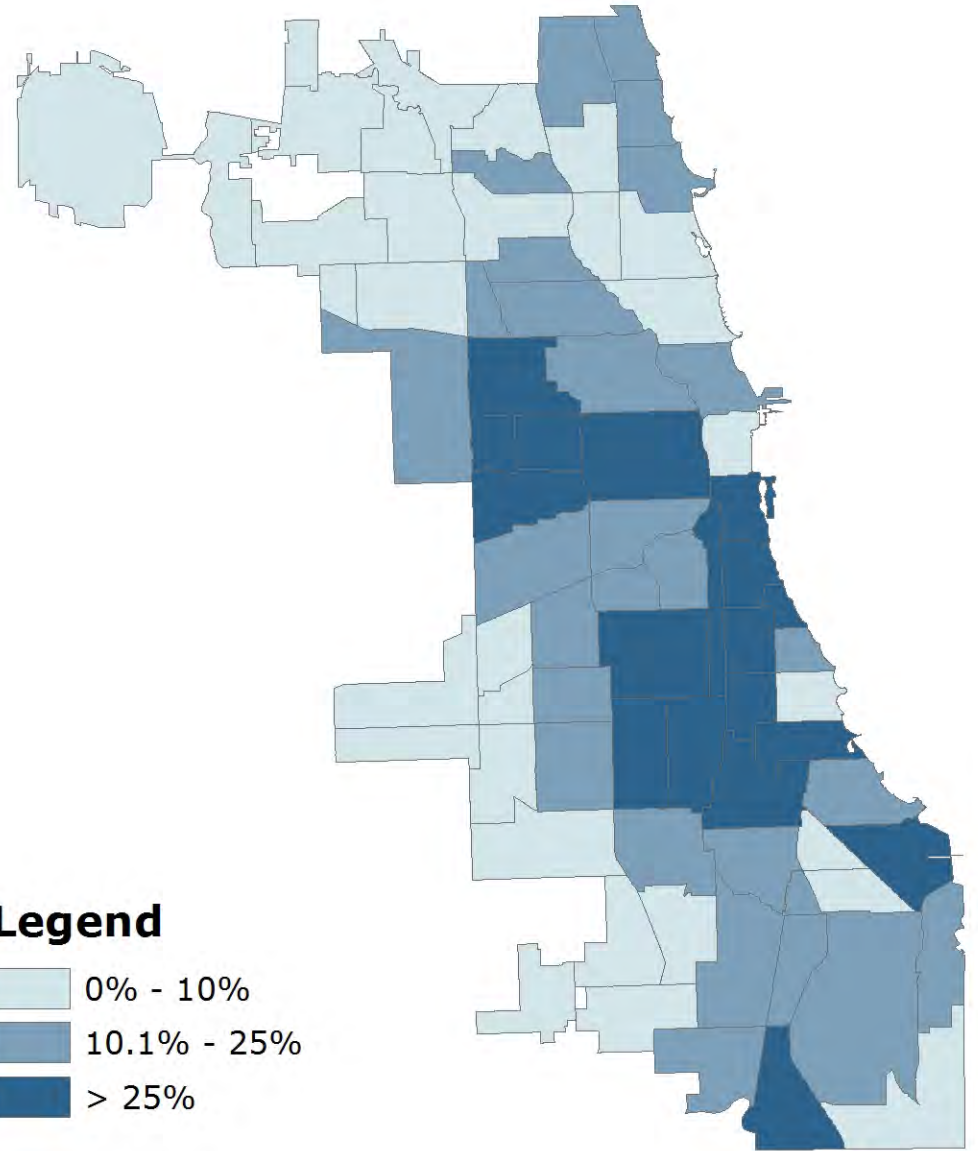
HCV Households as % of all Households (2007)



Legend

- 0% - 1%
- 1.1% - 2%
- 2.1% - 3%
- 3.1% - 4%
- > 4%

Family Poverty (2000)



Legend

- 0% - 10%
- 10.1% - 25%
- > 25%

Data Source: U.S. Department of Housing and Urban Development
Illinois Assisted Housing Action Research Project (2000)

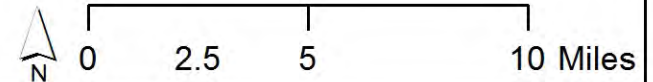
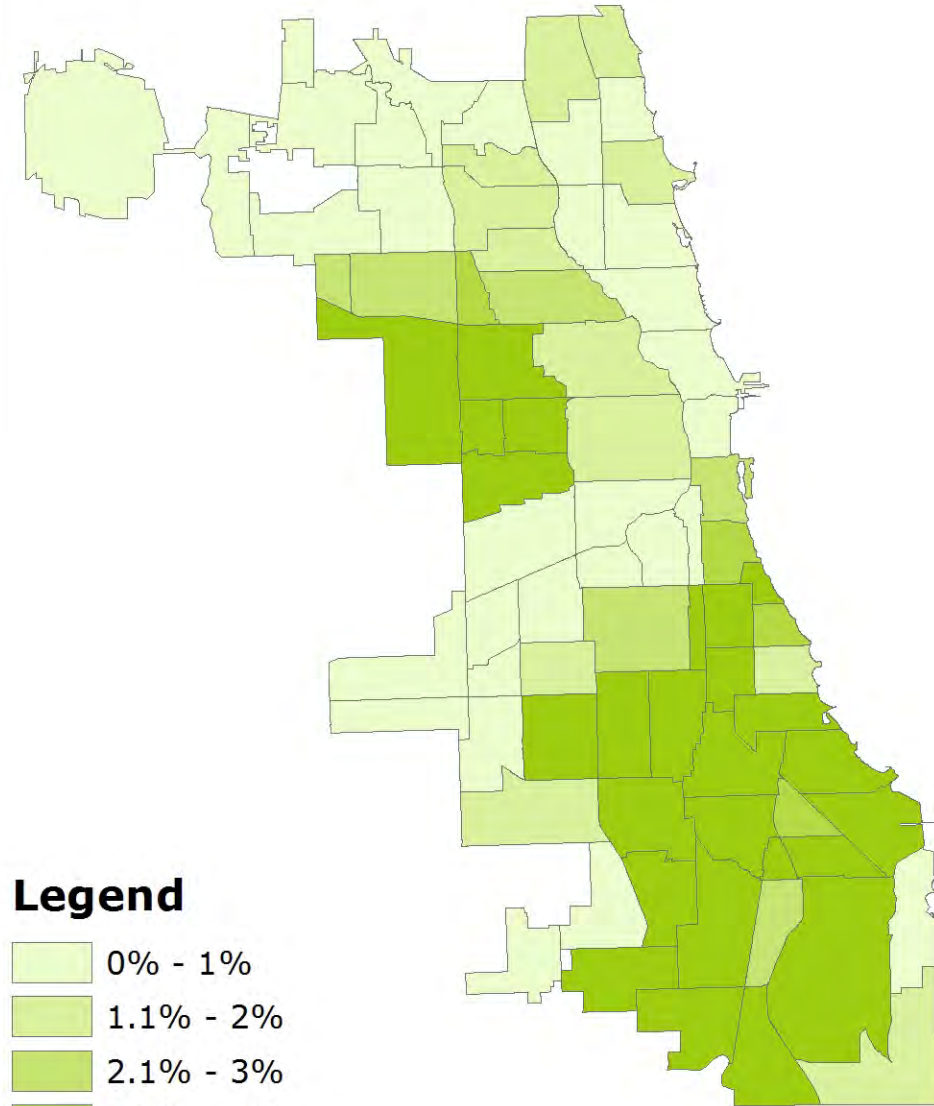


Figure 5: Housing Choice Voucher Households and Units Renting Below FMR

HCV Households as % of all Households (2007)

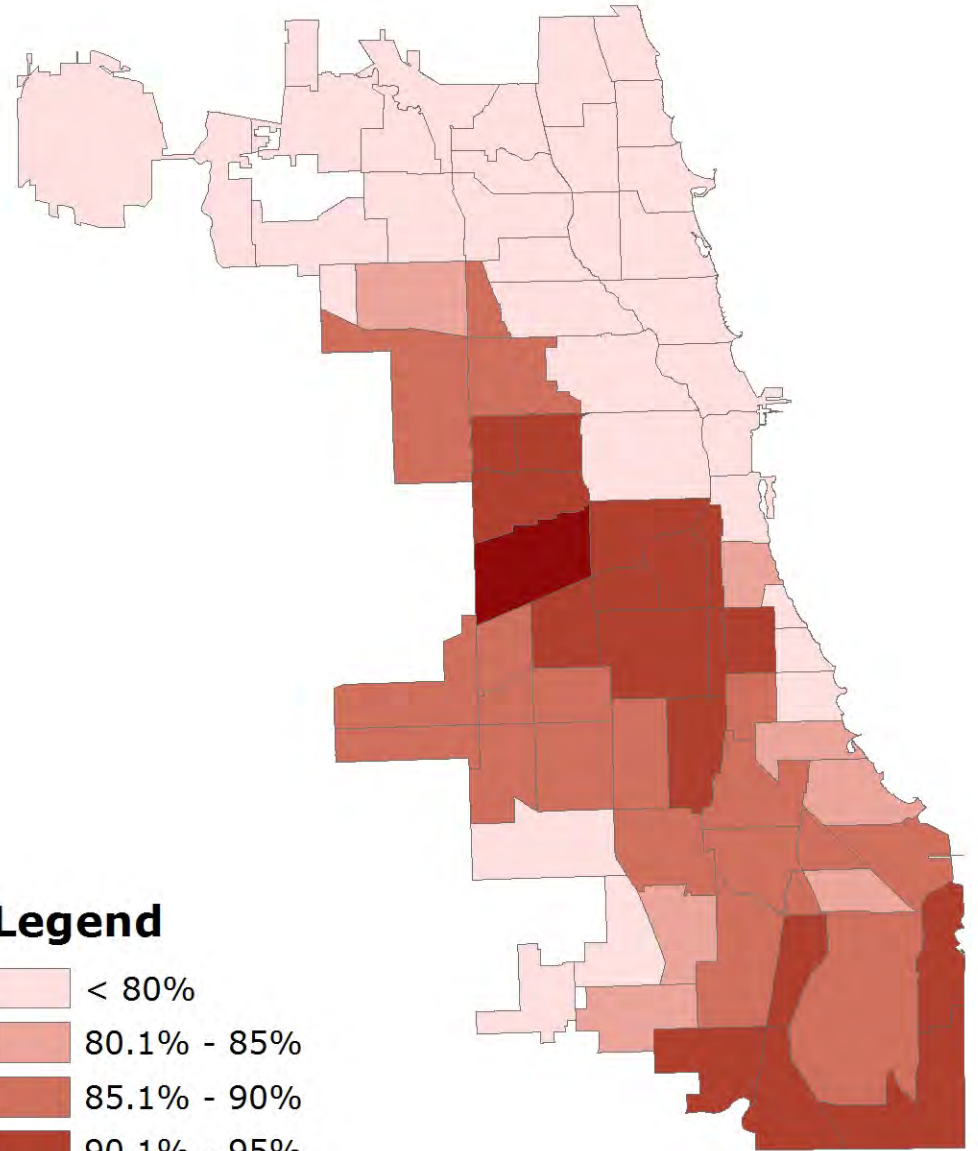


Legend

- 0% - 1%
- 1.1% - 2%
- 2.1% - 3%
- 3.1% - 4%
- > 4%

Data Source: U.S. Department of Housing and Urban Development
Illinois Assisted Housing Action Research Project (2000)

Units Below FMR (2000)



Legend

- < 80%
- 80.1% - 85%
- 85.1% - 90%
- 90.1% - 95%
- 95.1% - 100%

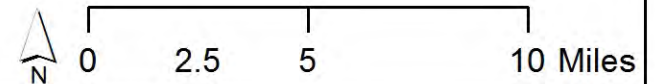
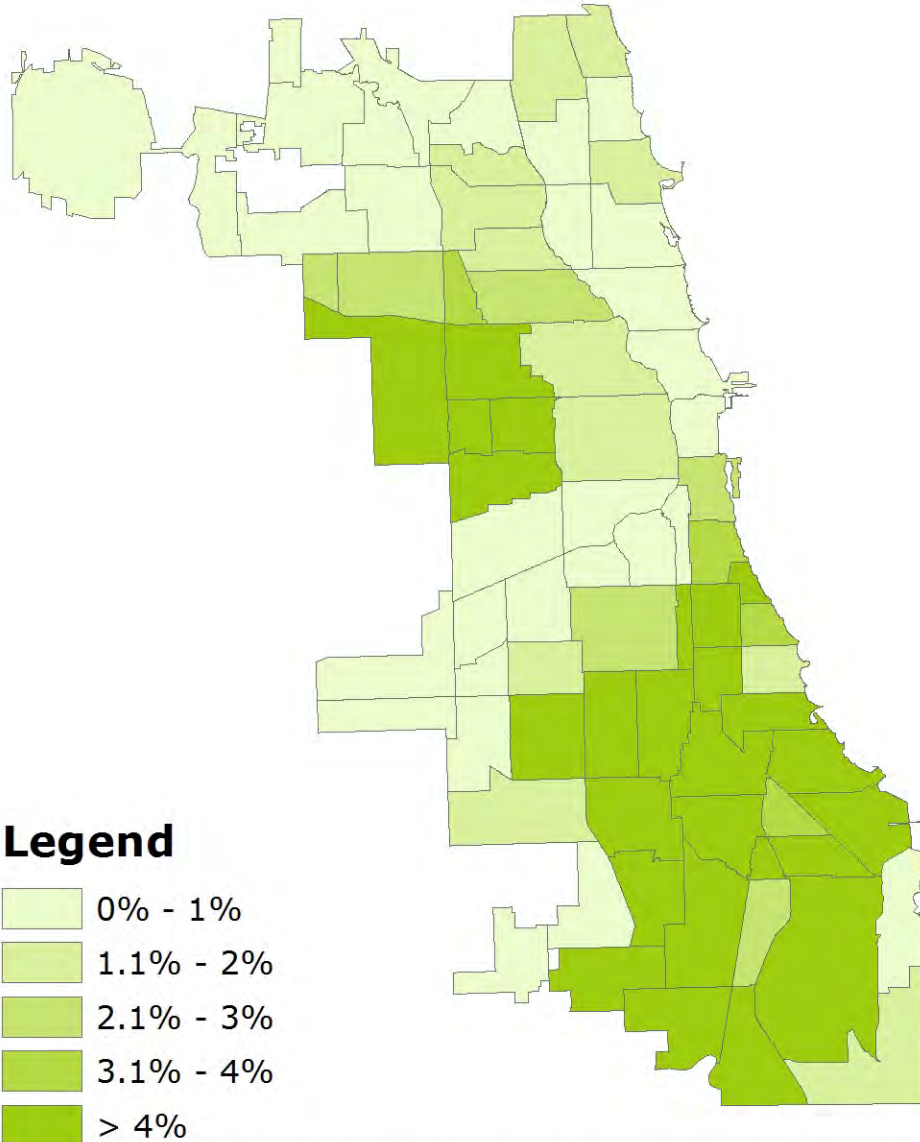


Figure 6: Housing Choice Voucher Households and CTA Pedestrian Accessibility

HCV Households as % of all Households (2007)

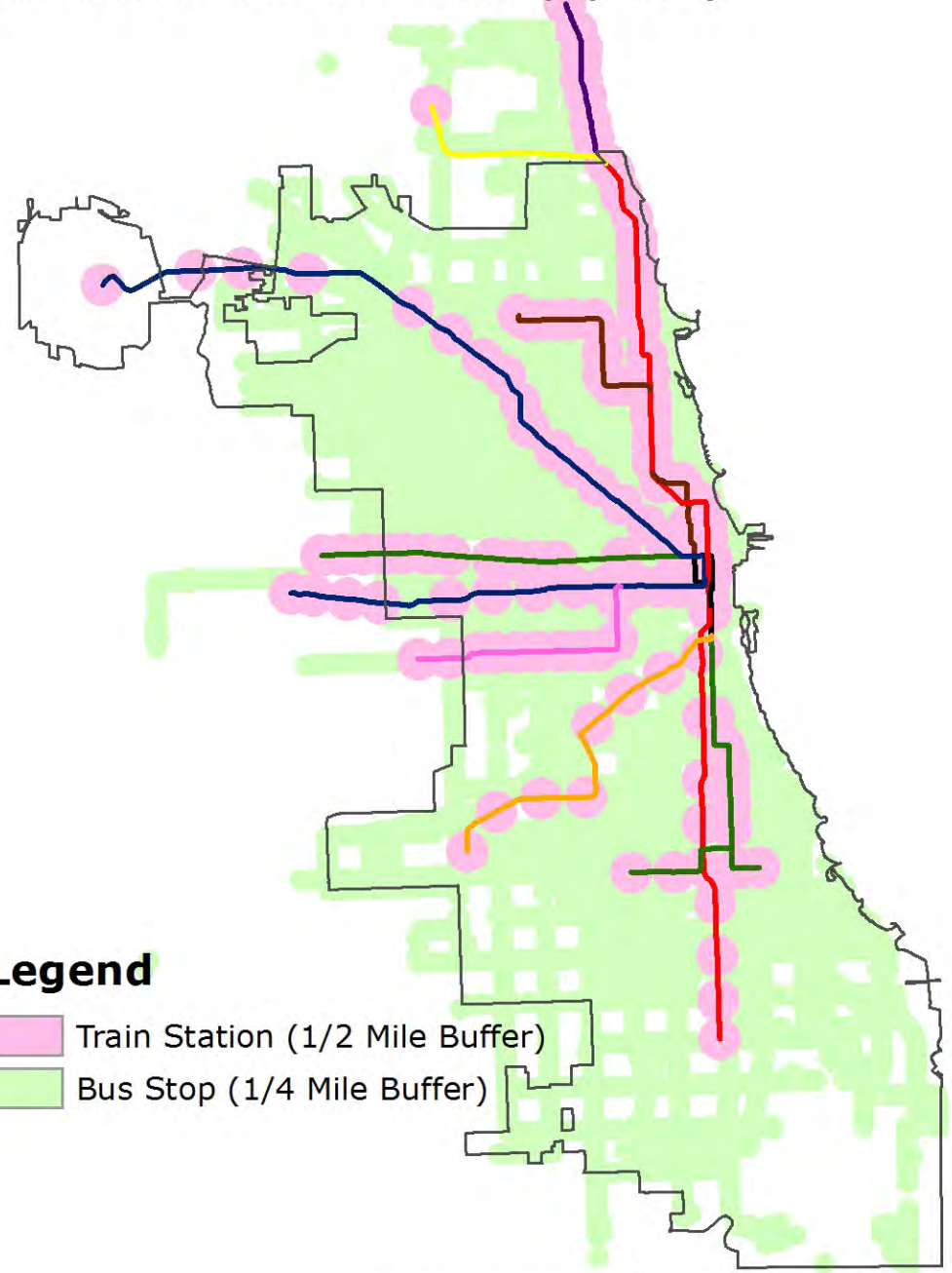


Legend

- 0% - 1%
- 1.1% - 2%
- 2.1% - 3%
- 3.1% - 4%
- > 4%

Data Source: U.S. Department of Housing and Urban Development
Chicago Transit Authority (2009)

CTA Pedestrian Accessibility (2009)



Legend

- Train Station (1/2 Mile Buffer)
- Bus Stop (1/4 Mile Buffer)

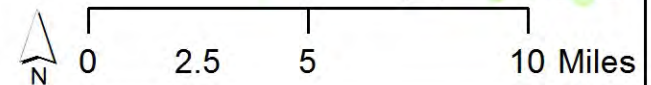
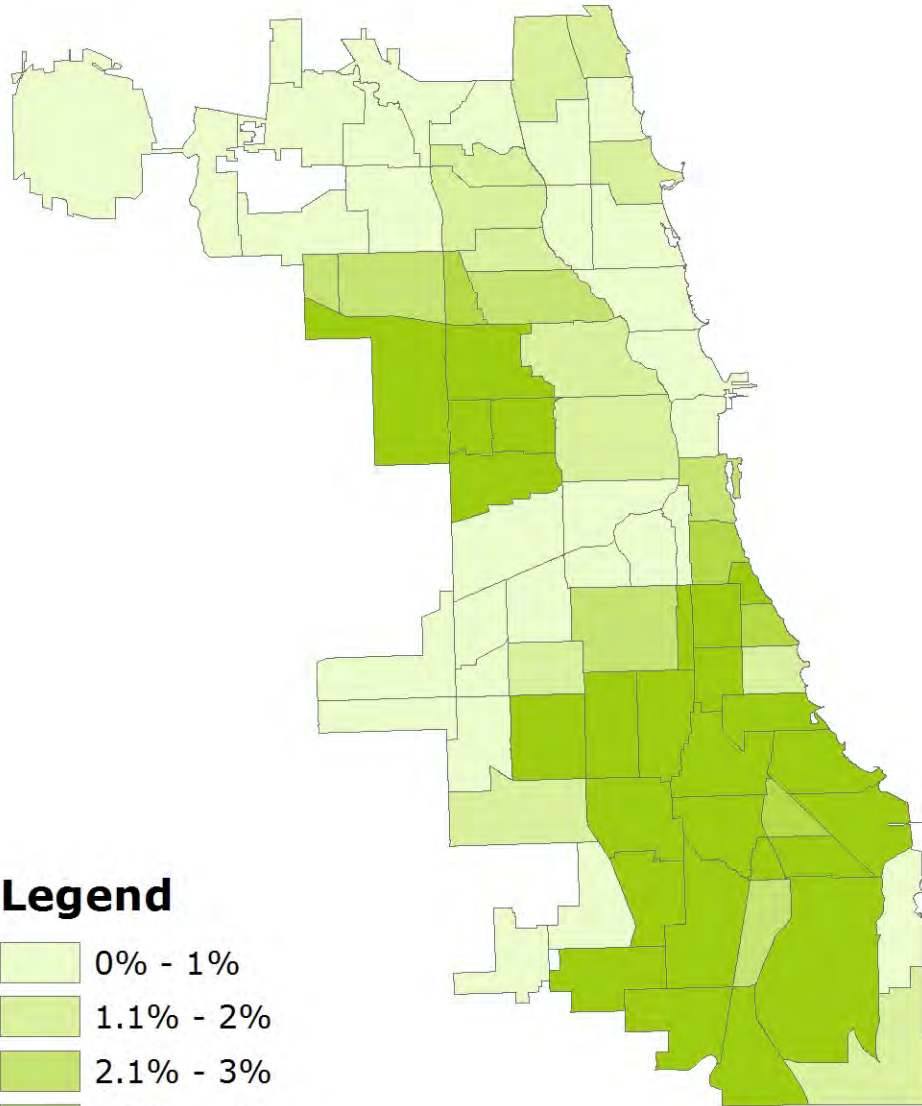


Figure 7: Housing Choice Voucher Households and Foreclosures

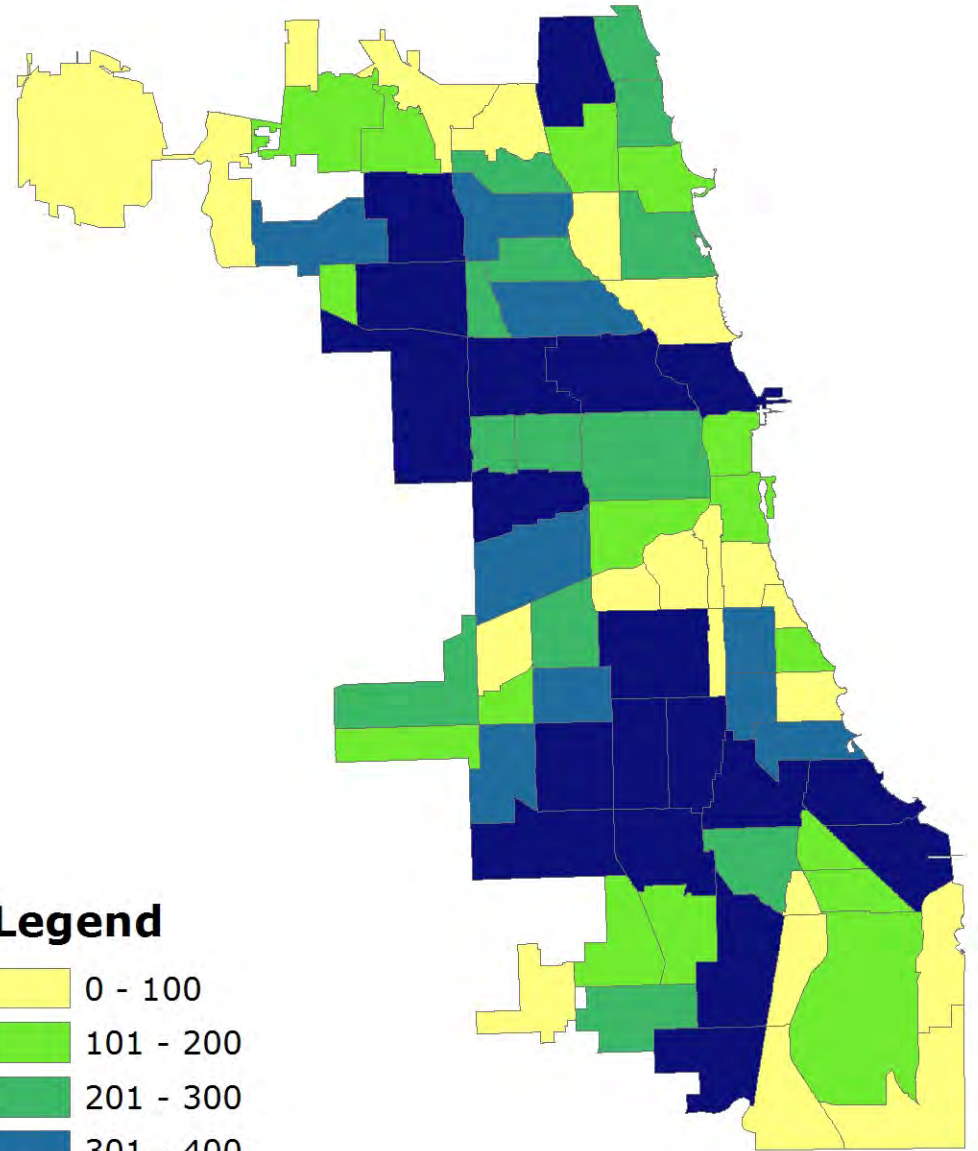
HCV Households as % of all Households (2007)



Legend

- 0% - 1%
- 1.1% - 2%
- 2.1% - 3%
- 3.1% - 4%
- > 4%

Foreclosures (2008)



Legend

- 0 - 100
- 101 - 200
- 201 - 300
- 301 - 400
- > 400

Data Source: U.S. Department of Housing and Urban Development
Woodstock Institute (2008)

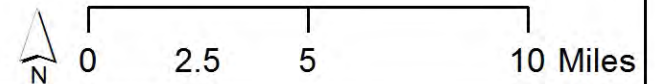
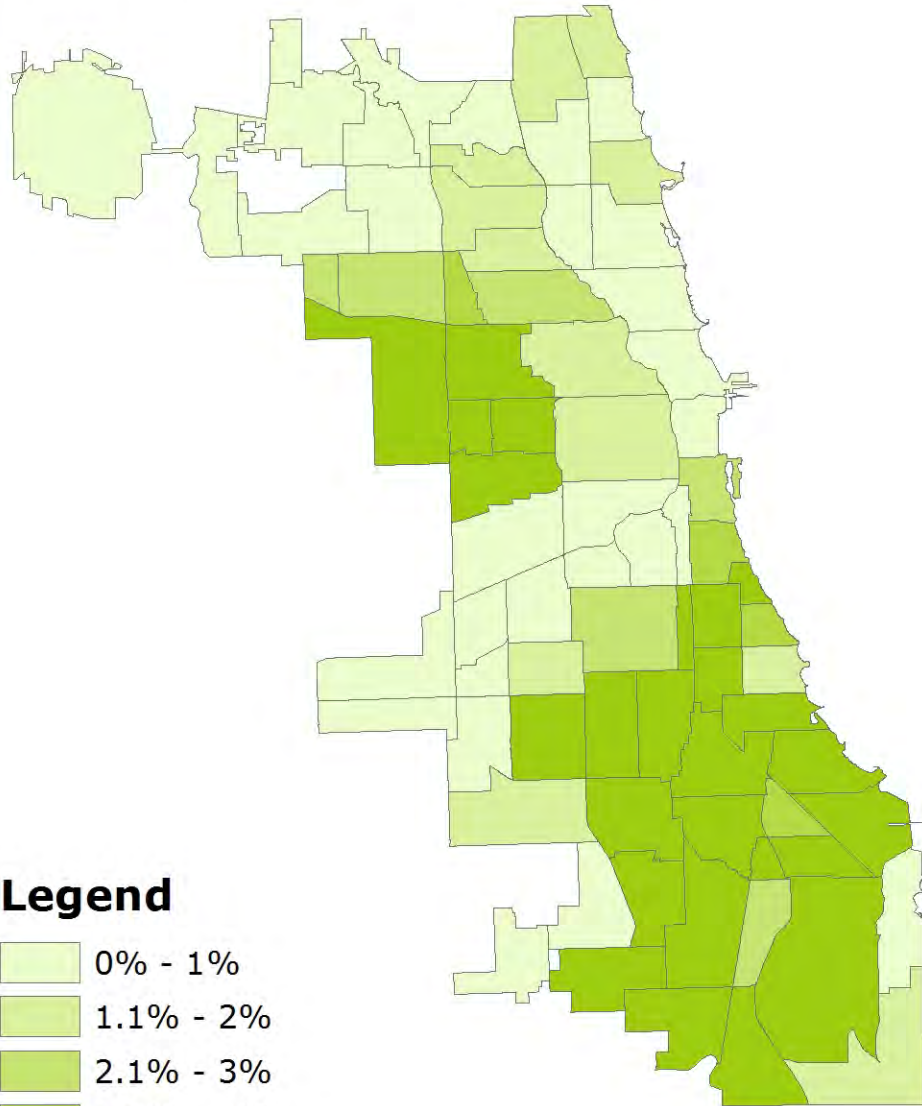


Figure 8: Housing Choice Voucher Households and Lead Exposure

HCV Households as % of all Households (2007)

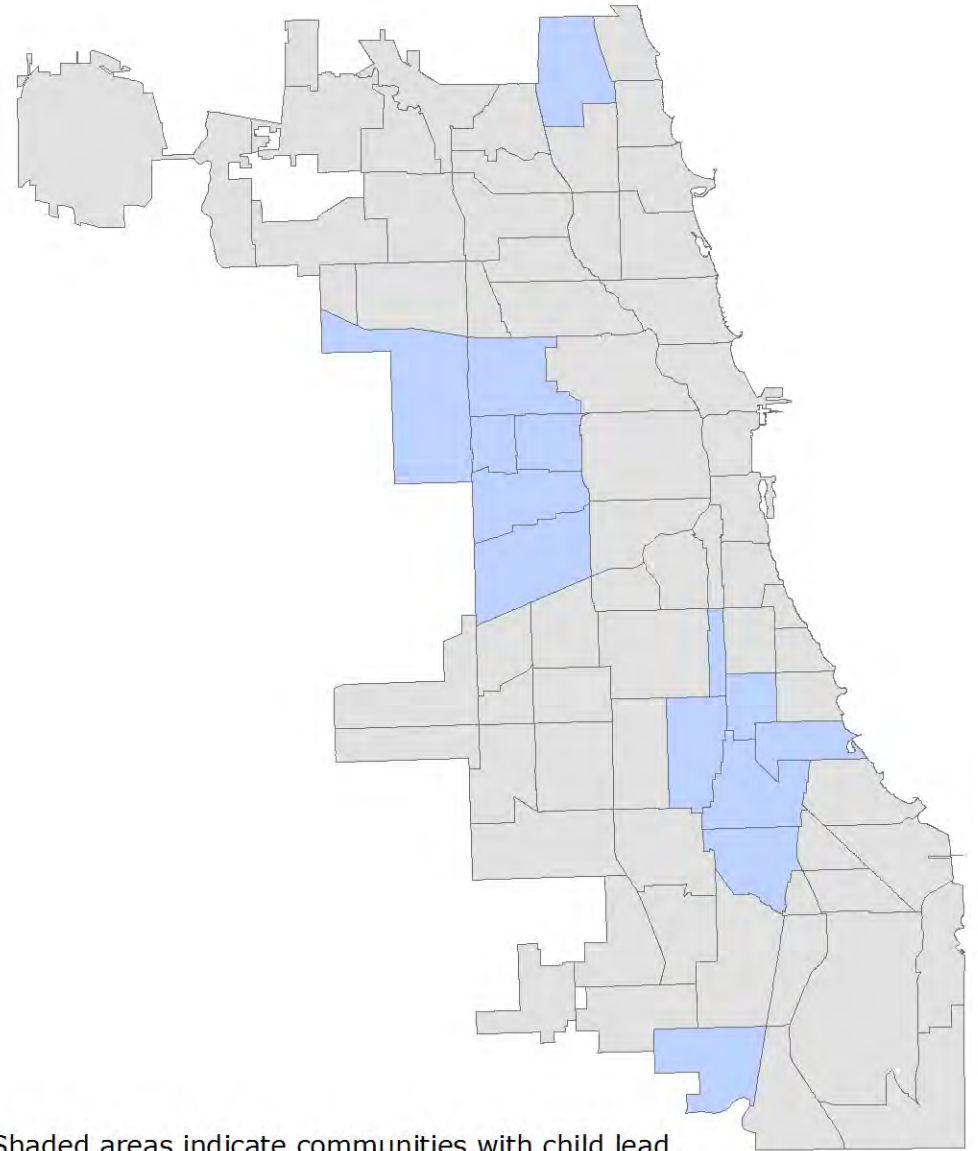


Legend

- 0% - 1%
- 1.1% - 2%
- 2.1% - 3%
- 3.1% - 4%
- > 4%

Data Source: U.S. Department of Housing and Urban Development
Chicago Department of Public Health (2004)

Child Incidence of Elevated Lead (2004)



Shaded areas indicate communities with child lead levels more than 30% above city average.

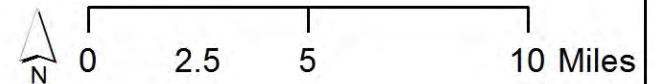
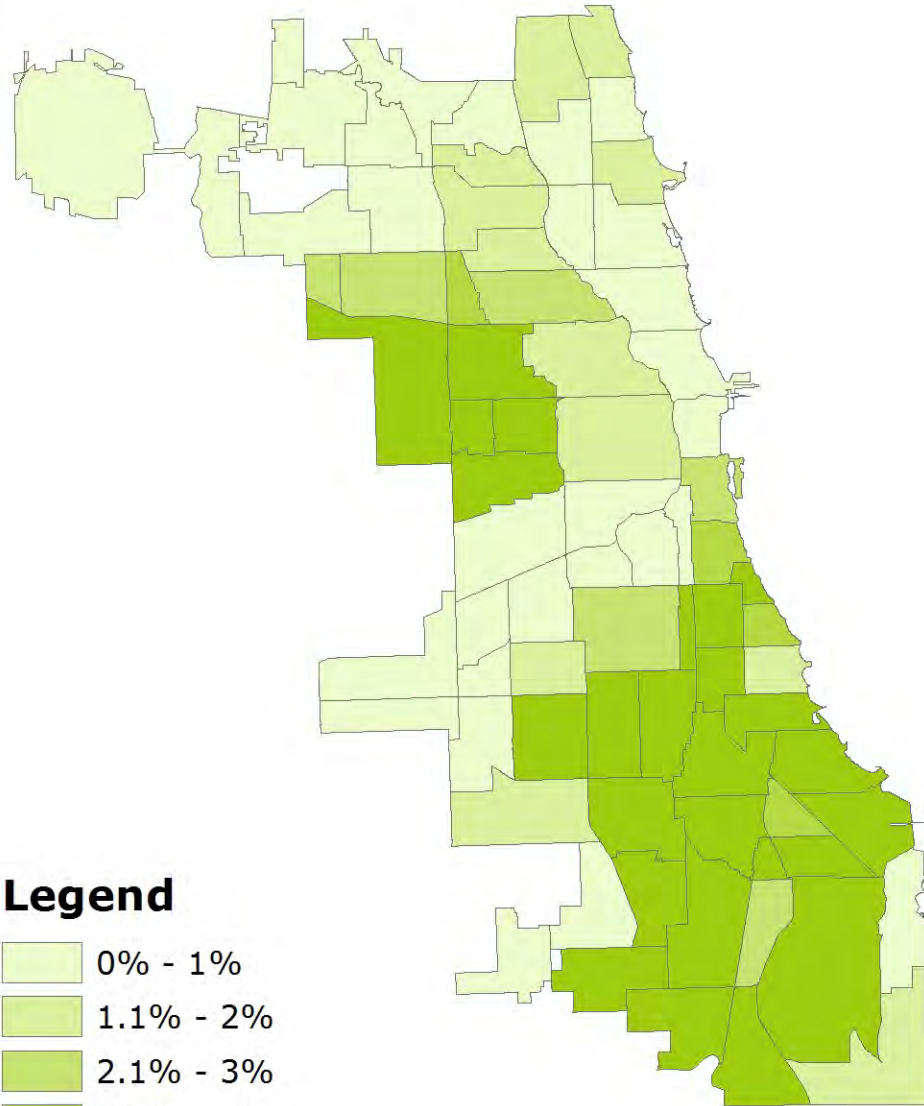


Figure 9: Housing Choice Voucher Households and Health Ranking (2004)

HCV Households as % of all Households (2007)

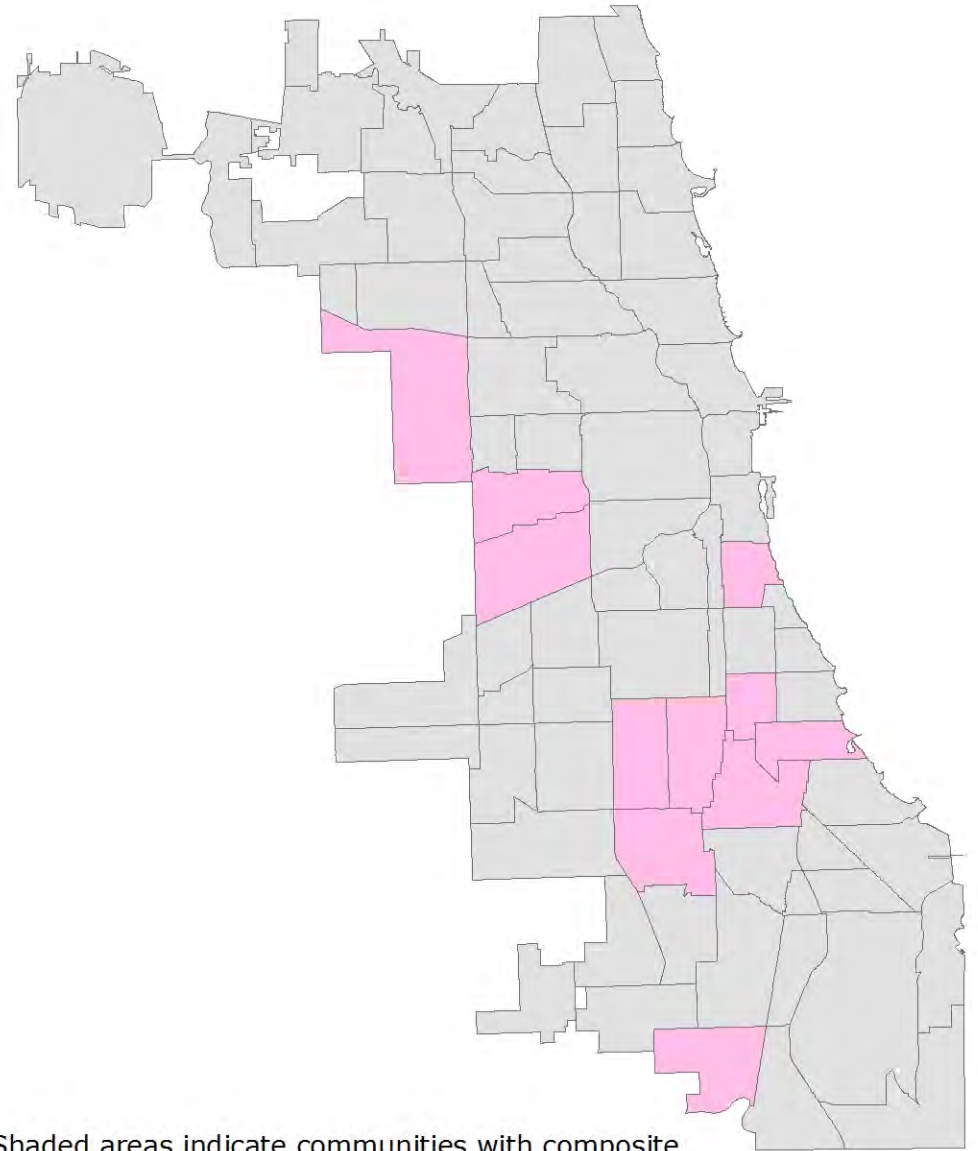


Legend

- 0% - 1%
- 1.1% - 2%
- 2.1% - 3%
- 3.1% - 4%
- > 4%

Data Source: U.S. Department of Housing and Urban Development
Chicago Department of Public Health (2004)

Health Ranking (2004)



Shaded areas indicate communities with composite health rankings below the 33rd percentile.

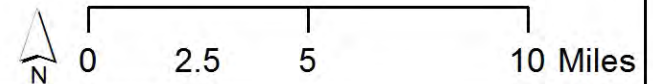
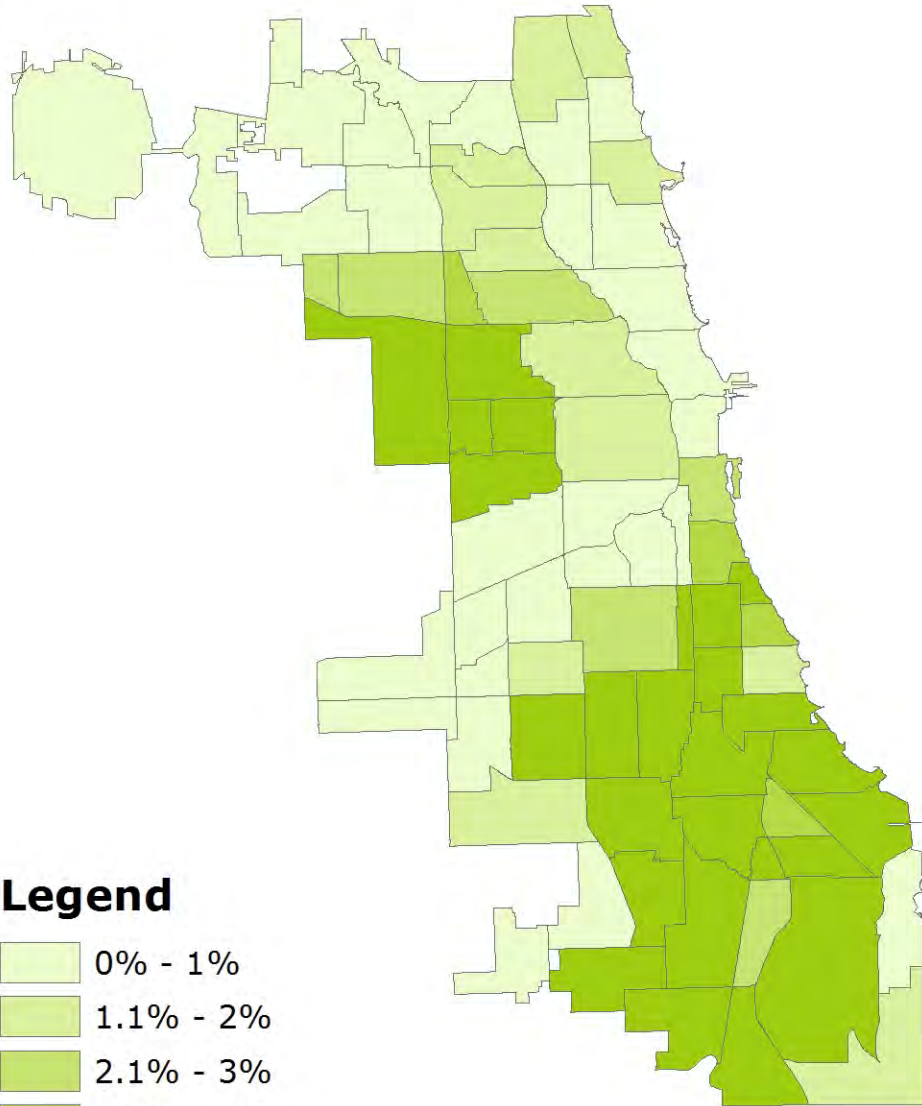
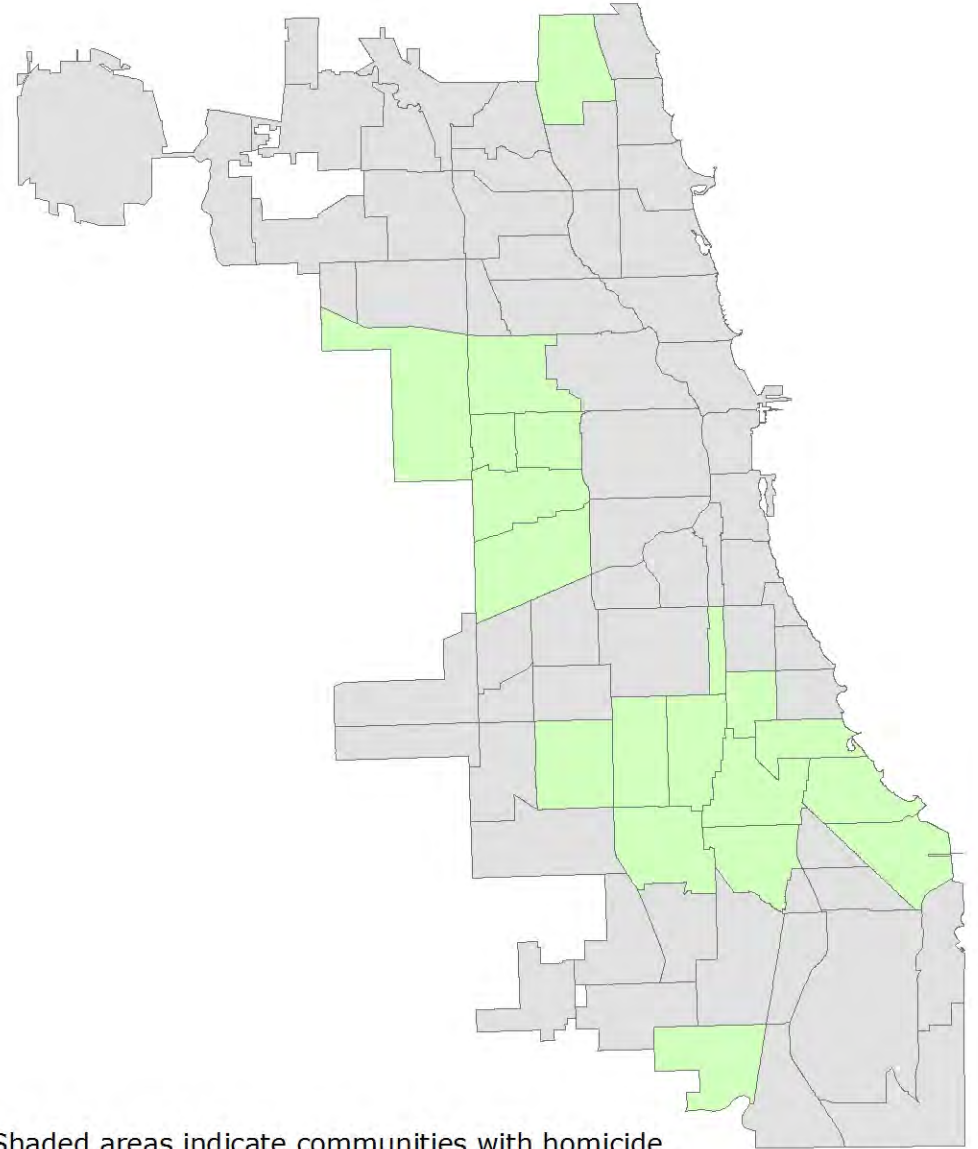


Figure 10: Housing Choice Voucher Households and Community Homicide Ranking

HCV Households as % of all Households (2007)



Homicide Ranking (2004)



Legend

- 0% - 1%
- 1.1% - 2%
- 2.1% - 3%
- 3.1% - 4%
- > 4%

Data Source: U.S. Department of Housing and Urban Development
Chicago Department of Public Health (2004)

Shaded areas indicate communities with homicide standardized mortality rate at least 30 percent greater than expected.

