What Did Two Decades of HOPE VI Produce?

Confirmations, Revelations and Implications

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Introduction

Concentrated poverty in urban communities continues to constrain the choices and outcomes of low-income households, resulting in individuals and families being isolated in challenging environments. Public housing developments have been the sites of some of the highest concentrations of poverty in U.S. cities.

The HOPE VI program was launched in 1992 as a response to recommendations by the National Commission on Severely Distressed Public Housing (Cisneros & Engdahl, 2009; Katz 2009). By 1995, the focus of the program was mixed-income transformation of the high-poverty sites. The HOPE VI program was the largest and longest-running federal public housing transformation initiative, with 260 grants totaling over 6 billion dollars, until it was phased out by the Obama Administration in 2010 and replaced with the Choice Neighborhoods Initiative.

As the U.S. Department of Housing and Urban Development (HUD) advances its mission to create strong, sustainable, inclusive communities and quality, affordable homes for all, the promotion of mixed-income communities has become one of the agency’s core strategies. The term “mixed-income developments” indicates the intentional financing, design and construction of a residential property with the goal of attracting individuals from a broad range of income and socio-economic levels (Brophy & Smith, 1997). Mixed-income developments attempt to eliminate the isolation that challenges low-income households when situated in concentrated poverty. Since the mid-1990s, mixed-income housing development has gained increased attention across the United States as an urban redevelopment strategy (Chaskin & Joseph, 2015; Joseph, Chaskin, & Webber, 2007).
In general, the HOPE VI program has had a mixed track record. The national HOPE VI Panel Study found positive consequences of the program such as improved safety, better physical environments and lower poverty rates (Popkin & Cunningham, 2009). At the same time, the study also reported low return rates, indicating that most of the original public housing residents did not return to benefit from the new housing developments. Other studies (e.g., Center for Community Change, 2003; National Housing Law Project, 2002) questioned the benefits of the HOPE VI program itself and criticized its displacement of housing for low-income families. Recently, Chaskin and Joseph (2015) summarized,

The HOPE VI program has been criticized for reducing the number of affordable housing units, problems in relocating families, delays in constructing new units, and low rates of return of original public housing residents to the new developments. (p. 59)

**Purpose of this Study**

Despite an extensive literature of site-specific evaluation reports and articles on various aspects of the program, there has been no comprehensive analysis of the HOPE VI program. Most of the research on the HOPE VI program has analyzed a single site or a selected subset of locations. Addressing the gap in extant literature, this paper provides the results of a unique analysis of all 260 HOPE VI data extracted from quarterly grant progress reports from 1993-2014. The overarching research question that motivates this study is: What is the income and tenure mix of housing units that have been produced through the HOPE VI program? Income and tenure mix data provide insight into the nature of the mixed-income developments produced with HOPE VI funding and therefore the potential impact these developments had on residents.
and communities through the provision of a mix of subsidized and market-rate housing. The availability of this new data on all HOPE VI projects has enabled us to revisit some of the accumulated knowledge and conventional wisdom about the program. Based on this comprehensive data, we frame our paper around three types of findings. First, using our analyses, what have we been able to confirm that was known or surmised previously? Second, what new revelations have we been able to uncover with this data, or at least where have we been able to shed new light? Third, what are the implications of these confirmations and revelations for future mixed-income research, policy and practice? With the Choice Neighborhoods Initiative, the federal government has extended its commitment to supporting the mixed-income approach to public housing transformation. Based on this analysis of HOPE VI, we identify policy implications which may inform the implementation and evaluation of the Choice Neighborhoods Initiative and other mixed-income development projects.

**Literature Review**

We first summarize some of the existing knowledge from the large body of literature on the HOPE VI program and identify some of the key knowledge gap that will be addressed in this paper.

**Relocation, Demolition and Construction**

**Demolition of public housing.** In 1992 the National Commission on Severely Distressed Public Housing estimated that nationwide approximately 86,000 (out of 1.3 million, roughly 6.5%) public housing units were “severely distressed.” Through HOPE VI, the federal government proposed to demolish 37,449 public housing units over the course of the first five years of funding and a total of approximately 100,000 units through the first ten years (Keating, 2000; U.S. General Accounting Office, 1997). Initially the HOPE VI program tried to revitalize,
rather than demolish, the severely distressed public housing units (Goetz, 2003). However, the program soon changed priorities offering housing vouchers to original residents and demolishing units without the one-for-one replacement requirement (Chaskin & Joseph, 2015).

**Replacement public housing units.** The one-for-one replacement requirement had mandated housing authorities to construct one new unit of affordable housing for every one unit they demolished. With the limited public funding for new construction, this requirement had been “the largest obstacle to implementing HOPE VI” (Goetz, 2003, p. 59). In 1995 this requirement was abolished. By the program’s close in 2012, 48,643 public housing units “were gone forever unavailable to low-income families, particularly extremely low-income families” (Center for Community Change, 2003, p. 9). In their report, *A hope unseen: Voices from the other side of HOPE VI*, the Center for Community Change (2003) argued,

> Because there are not enough units available and affordable to the lowest income families and there are not enough housing subsidies, any loss of housing affordable to these families only exacerbates an already critical problem. While not the cause of the housing affordability problem facing low-income renters in this country, HOPE VI is certainly exacerbating the problem (p. 20)

HUD argued that each HOPE VI development built an adequate number of affordable housing units to address the concerns about the net loss of public housing. However, the Center for Community Change (2003) countered that these affordable units were not truly affordable for most of the former public housing residents since a portion were LIHTC units under affordability restrictions that were not aimed at the lowest-income households.

**Construction of market-rate rental and homeownership units.** While some of the first HOPE VI grantees renovated the old buildings for re-occupancy by public housing families
exclusively, most of the redeveloped housing units were targeted to a broader economic spectrum of residents. In 1994 HUD began to explore the mixed-income strategy as a new dimension of the HOPE VI program in order to create economically integrated communities (Polikoff, 2009). Soon, HOPE VI developments began to construct market-rate housing units.

**Timing of relocation, demolition and construction.** Often there were lengthy timeframes for demolition and construction in the redevelopment process (Chaskin & Joseph, 2015). The long periods between relocation, construction and occupancy meant an extended waiting period for residents who hoped to move back to the new developments. This waiting potentially influenced the lower return rates noted earlier.

**Funding**

**Decrease in funding over time.** The program was impacted by significant cuts in the program beginning in 2000. Each fiscal year, beginning in 2003, the Bush administration tried to eliminate the HOPE VI program (Polikoff, 2009). Although Congress successfully continued the program, the funding was significantly cut and continued to be reduced through the final award year in 2011.

**Public funds leveraging private funds.** The federal government encouraged local housing authorities to leverage private redevelopment funding given the cost of redevelopment. From the perspectives of local housing authorities, individual developments could not afford to complete the redevelopment process, including relocation, demolition, construction and services, without private funding sources (Chaskin & Joseph, 2015). With the dramatic decrease in public sector funding for public housing, housing authorities increasingly turned to privatization of public housing through mixed-income development. Mixed-income development provided a means of generating the capital needed to construct new buildings and renovate existing ones, as
well as the operating capital to manage and sustain the brick and mortar investments. The more recent rollout by HUD of the Rental Assistance Demonstration (RAD) program is an even more significant effort to privatize public housing, in the case of RAD using the project-based section 8 voucher program.

**Income and Tenure Mix**

**Income mix types.** Holin and colleagues (2003) reported significant differences in the median household incomes across the three types of housing in mixed-income developments: public housing ($7,619–$12,190), affordable housing ($23,820–$26,118) and market-rate ($35,565–$64,772; all in 2002 dollars). Each housing type attracts residents with markedly different income levels.

**Production of public housing homeownership units.** Section 32 of the U.S. Housing Act of 1937 outlined three ways housing authorities could help public housing residents purchase homes: (1) set aside public housing units for purchase by low-income residents, (2) provide funds to public housing residents to help them purchase homes, or (3) housing authorities could buy homes for the purpose of selling them to low-income families. With the transformation of public housing, some authorities and their development partners returned to this original aspiration and worked to include home ownership for relocated public housing residents into the unit mix.

**Re-occupancy**

**Rates of return – challenges to returning.** One of the major critiques of the HOPE VI program has been the low rates of return by original residents. The HOPE VI grants included support for relocation services designed to help residents move temporarily and then return to sites once the redevelopment was completed. However, after redevelopment, mixed-income
properties often implemented stricter requirements and new screening criteria that included adherence to lease stipulations and other requirements such as background checks, credit checks and drug testing, and these aspects could hamper re-occupying efforts (Center for Community Change, 2003; Joseph & Chaskin, 2012). These requirements, in addition to many other individual and structural barriers, often meant families were not able to return to the developments (Joseph & Chaskin, 2012; Popkin et al., 2004). Buron and his colleagues (2002) reported that across the country rates of return to revitalized HOPE VI developments averaged 14 percent (see also Marquis & Ghosh, 2008).

**Community and Supportive Services**

The HOPE VI program sought to provide support for households as they transitioned from the high-poverty developments to new opportunities in redeveloped or alternative housing. In their 2000 report *HOPE VI: Community Building Makes a Difference*, Naparstek and colleagues described how HOPE VI was designed to help residents move out of public housing to a better life through self-sufficiency programs such as literacy training, job preparation, training, and retention, personal management skills, daycare, youth activities, health services, community policing or security activities, and drug treatment. However, residents in the HOPE VI sites often did not know about Community and Supportive Services (CSS) programs or had difficulty accessing these services (Center for Community Change, 2003). Participation in services was voluntary. The flexibility with which grantees had to shape their programs resulted in significant differences in CSS from site to site.
Methods

Data

The data analyzed here HOPE VI quarterly grant progress report data from 1993 through the third quarter of 2014. The data includes information on unit production, re-occupancy, funding, timeframe and community and supportive services. The raw data were checked for accuracy and discrepancies through extensive searches of electronic and hard-copy reports and peer reviewed articles on the HOPE VI program. Then data were extracted, cleaned, and categorized by individual site-level (N = 259), state-level (N = 41) and award year (N = 19).

Findings

Relocation, Demolition and Construction

Expectations and previous insights confirmed.

Most demolished units were replaced. Through the HOPE VI program, 98,592 public housing units have been demolished and 97,389 units have been produced (85,934 newly-constructed units and 11,455 rehabbed units) including a 49,949 new public housing rental units. Thus most demolished public housing units were replaced with rehabbed or new units; however, the new units consisted of a combination of public housing, affordable or market-rate units.

Loss of public housing units. Although HOPE VI replaced most of the demolished public housing units with housing that had some level of subsidy, the program still resulted in a loss of 43,274 public housing units (43.8% of the total stock) for the most vulnerable households. Developments built in the first few years of the HOPE VI program tended to replace 100% of the public housing units; however, as the program progressed more affordable and market-rate units

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2 We thank Larry Vale and his team at the Resilient Cities and Housing Initiative at MIT for their collaboration in this process.

3 Among 260 projects there is one site that did not produce any units (of any income level). This site had planned to produce 100 units, but not produced any as of the end of the reporting period. Thus, for all analysis using unit production information, a total of 259 sites were analyzed.
were built to replace the demolished public housing. Sites developed later in the HOPE VI program (post-1997) averaged 53.9% public housing, 34.9% affordable units and 11.2% market-rate units, while the sites developed in the early years of the program averaged 67.5% public housing, 23.5% affordable units and 9.0% market-rate units. Larger sites (≥ 319 units) tended to have a lower proportion of public housing and higher proportion of market-rate housing than smaller sites (< 319 units). On average, the larger sites had 56.9% public housing and 12.8% market-rate units, while the smaller sites had 64.4% public housing and 7.4% market-rate units.

Overall construction levels trended down. HOPE VI program grantees demolished and constructed the most units in the first ten years of the program. As the program progressed, a decrease in funding for the program meant that fewer units were produced. Starting in 2003, there was a leveling off of demolition and construction (see Figure 1). Furthermore, the U.S. housing market crisis beginning in 2008, had a huge impact on the integration of homeownership units into HOPE VI projects. Grantee award cohorts after 2003 did not produce nearly as much homeownership as those before 2003 (see Figure 2).

New information and revelations.

Most units were built as ultimately planned. Sites were generally able to meet the construction goals established in their most recent HUD agreements. Because the quarterly reports to which we had access were overwritten with the most recent projection data, we were not able to analyze original projections in this study (that effort is currently underway by our colleagues at MIT). Overall, 88.3% of the projected units (per the most current agreements with

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4 The “affordable” units are an additional tier of subsidized units, primarily funded by the Low Income Housing Tax Credits (LIHTC) program which aims to house tenants who are low-income but not necessarily at the poverty levels of public housing residents.
HUD) were actually produced. Among the 259 sites, 66 (25.5%) produced less than their most recent projections while 193 (74.5%) produced the number of units planned.

**Relatively more rental units produced as planned.** As described in Table 1, a higher percentage of the projected rental units (91.9%) were produced than homeownership units (72.7%). Also a higher percentage of the projected public housing units (94.7%) were produced than affordable (87.1%) and market-rate (71.8%) units.

**Most housing units produced were for low- and moderate-income families.** Ultimately the HOPE VI program focused on the production of housing units for low-income populations, which included public housing and affordable housing with limited inclusion of market-rate units. Of the total 97,389 units produced, 55,318 units (56.8%) were public housing, 28,979 units (29.8%) were affordable units and only 13,092 units (13.4%) were market-rate units.

The HOPE VI program prioritized the production of low- and moderate-income housing units and the distribution of mix-types demonstrates this priority (see Figure 3). In order to compare the income mix of HOPE VI projects, this study adopted the Vale and Shamsuddin’s (2014) typology. After reviewing the distribution of income mix among HOPE VI projects, we assigned each project to a category based on the following criteria: Narrow Low-Income developments have no more than 15% market-rate units; Polarized Bimodal developments have no more than 15% affordable units; All But The Poorest developments have no public housing unit; and the Broad Continuum developments have at least 15% of all three unit types (public housing, affordable and market-rate). Most redevelopments had a Narrow Low-Income mix ($n = 179, 69.1%$), followed by Broad Continuum ($n = 66, 25.5%$) and Polarized Bimodal ($n = 13, 5.0%$). Only one site had an All But The Poorest mix. Table 2 shows the differences in average
unit production and their proportion by mix type. On average, the Narrow Low-Income developments had 2.2% only market-rate units.

While HOPE VI production resulted in a decrease of public housing units as confirmed above, the redevelopments mainly produced subsidized housing. HOPE VI effectively replaced 85.5% of the original public housing with units intended to be affordable to low- and moderate-income residents. Furthermore, the HOPE VI program was most successful in producing the planned public housing units and was least successful in the production of market-rate units.

**Dominance of mixed-tenure developments.** Although the HOPE VI program produced more rental units than homeownership units, a majority of sites \( n = 184, 71.0\% \) were mixed-tenure. Mixed-tenure sites tended to be larger \( M = 402 \) than sites without homeownership units \( M = 312 \) and included higher proportions of affordable and market-rate units (see Table 3). Overall, 82,378 units (84.6%) were rental housing and 15,011 units (15.4%) were designated for homeownership.

**Public housing homeownership units.** The HOPE VI program had a greater focus on public housing homeownership than expected. About 10% of the public housing units were for homeownership (5,369 units). Among the 259 sites, a relatively high number \( n = 105, 40.5\% \) produced public housing homeownership units. There were 34 sites which produced 50 or more public housing homeownership units.

**Variation in timeframes of redevelopment progress.** The timeframes for the completion of the redevelopment projects had an obvious impact on households and the neighborhoods surrounding HOPE VI projects. Timeframes for relocation, demolition, construction and occupancy ranged from weeks to years (see Table 4). We found that the relocation phase took the longest amount of time on average \( M = 694 \text{ days} \) followed by construction \( M = 667 \),
demolition ($M = 516$) and occupancy ($M = 260$). Timeframes for redevelopment varied between sites. On average, larger sites reported more days for each redevelopment phase ($M_{relocation} = 829$, $M_{demolition} = 611$, $M_{construction} = 706$ and $M_{occupancy} = 293$) than smaller sites ($M_{relocation} = 539$, $M_{demolition} = 400$, $M_{construction} = 620$ and $M_{occupancy} = 218$). Among smaller sites, the longest phase was construction, but among larger sites, the longest phase was relocation. Longer timeframes for relocation, construction and occupancy directly impacted residents who would return to the newly constructed development.

**Funding**

**Expectations and previous insights confirmed.**

*Most budgeted funding was expended.* A total of 95.3% of the budgeted HOPE VI grant funding was actually expended ($M_{HOPE\ VI\ budgeted} = $24.1M and $M_{HOPE\ VI\ expended} = $22.9M). HOPE VI projects spent 85.0% of total budgeted funds for redevelopment which includes both federal grants (HOPE VI and others) and private sources ($M_{total\ budgeted} = $76.9M and $M_{total\ expended} = $65.3M).

*Decrease in funding over time.* The annual expended HOPE VI funding ranged from $66.2M (in 2009) to $566.1M (in 1993) with an average of $332.7M and a median of $445.9M. Funding for the HOPE VI program decreased over time (see Figure 4). The total funding was highest in the 2001 award year and dramatically decreased between 2003 and 2004. The lowest funding was allocated in 2006 and remained relatively low through 2010.

**New information and revelations.**

*Leveraging redevelopment funding.* HOPE VI funds were used to leverage significant amounts of other public and private funds. The $6.0B of HOPE VI funds leveraged $11.0B non-
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HOPE VI funds to complete redevelopment for a total of $17.0 expended. For every one dollar of HOPE VI funds expended, about 1.8 dollars were leveraged for the redevelopment projects.

Sites targeting middle income residents consistently leveraged more funding (see Table 5). Among the four types of income mix, the Narrow Low-Income developments ($M_{\text{total funding}} = 57.0M$), which have only public housing and affordable units, generally had less funding and were not able to leverage as much in additional funds (Polarized Bimodal: $M_{\text{total funding}} = 78.6M$ and Broad Continuum: $M_{\text{total funding}} = 86.9M$).

The leverage ratio also varied between the regions designated by HUD (see Table 6). Compared to other regions, the Southeast-Caribbean received the largest amounts of HOPE VI funding and produced the largest number of units with leverage ratio of 1:1.7. In the Rocky Mountain region, which obtained the smallest amount of HOPE VI funding and constructed the smallest number of units, about 3.3 dollars (highest leverage ratio) were leveraged for every one dollar of HOPE VI funding.

**Return and Relocation**

**Expectations and previous insights confirmed.**

*Low return rate.* A low percentage of all occupied units within HOPE VI developments were occupied by original residents returning to the developments. Of the 96,476 units that have been produced and occupied, only 19,993 units (20.7%) were occupied by original tenants at each development. A low percentage of households have returned to occupy new units available after redevelopment. Of the households originally relocated, across sites an average of only 27.6% (median 18.2%) returned to the new units. The relatively substantial difference between the average and the median is due to a skew in the distribution toward the lower range. Even among the units designated for returning public housing residents, a low percentage were
occupied by original residents. Of the 55,318 units that were designated as replacement units for original tenants, only 36.1% were occupied by residents of the original development.

**New information and revelations.**

**Return rates low regardless of development mix and size.** Return rates do not change significantly when the 32 100% public housing replacement developments are removed from the analysis (average 26.8% and median 17.5%), suggesting, surprisingly, that return rates were relatively low even when the developments replaced all of the public housing on site. Also, the return rates were almost identical for both larger \( M = 27.6\% \) and smaller sites \( M = 27.5\% \), indicating the return rates were very low regardless of the size of developments.

**Declined return rates over time.** As described in Figure 5, the average return rates each award year ranged from 6.3% (2009) to 44.7% (1993). Return rates mostly declined between 1993 and 2000, with spikes in 2001 and 2004 followed by a sharp drop off in 2005 and another relatively small peak in 2008. Newer sites have, thus far, experienced lower return rates (21.1%) than older sites (33.8%), which may be a function of time and a lag in construction and occupancy. However, the return rate for older sites likely indicates the upper end of the average that can be ultimately expected.

**Community and Supportive Services**

Individual site-level CSS reports of caseloads pre-revitalization and post-revitalization resident enrollment and completions of services were analyzed. We then conducted a comparative analysis of the following eight CSS programs by tenure mix, size and age: employment preparation/placement/retention; job skills training programs; high school or equivalent education; English as a Second Language (ESL) courses; child care; transportation assistance; counseling programs; and substance abuse programs.
Expectations and previous insights confirmed.

Overall provision of CSS. CSS served both former public housing residents and new residents, between the ages of 19 and 64, who moved to redevelopment sites as well as those who continued to live off-site. Of the eight CSS programs, 249 sites (95.7%) provided at least one and 93 sites (35.8%) provided all eight services.\(^5\) The average caseloads for these programs were 1,226 cases with a median of 767 cases.

New information and revelations.

Low proportion of remaining or returned individuals in current caseload. Among former public housing residents served in CSS programs (\(N = 54,453\) cases), only 31.8% remained on site (\(n = 5,869; 10.8\)) or returned after redevelopment (\(n = 11,473; 21.1\)). The other 68.2% were relocated to other public housing (\(n = 13,680; 25.1\)), to housing not receiving any HUD assistance (\(n = 5,423; 10.0\)) or to housing using Section 8 vouchers (\(n = 18,008; 33.1\)).

Comparative analysis of CSS. The number of available services varied by tenure mix, size and age of the redevelopment. Mixed-tenure sites (\(M = 1,301\)) had more residents enrolled in CSS program than rental-only sites (\(M = 1,044\)). Among the 184 mixed-tenure sites, only 4 sites (2.2%) did not provide any of the eight CSS programs (9.3% in rental-only sites). Larger sites (\(M = 1,626\)) tended to provide more CSS support to residents than smaller sites (\(M = 830\)). Among the 130 larger sites, only 2 sites (1.5%) did not provide any of the eight programs (7.0% in smaller sites). Finally, on average, older sites (\(M = 1,415\)) provide more CSS support to residents than newer sites (\(M = 1,046\)). However, a slightly higher proportion of older (4.7%) than newer sites (3.8%) did not provide any of the eight programs.

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\(^5\) In addition to the eight programs, the HOPE VI sites provided more detailed programs for employment, economic development and homeownership. This paper did not include the analysis of these CSS programs.
Enrollment goals achieved. Overall, the HOPE VI sites achieved their goals for enrollment in the eight CSS programs (see Table 7). On average, employment preparation/placement/retention had the largest number of enrollments, followed by transportation assistance, counseling, job skills training and child care. Still, it is notable that substance abuse programs, high school or equivalent education and language courses enrolled the fewest number of residents.

Employment goals not met. In the area of employment, despite exceeding the number of total new job placements, which includes all types of employment (full-time, part-time, seasonal and temporary), the caseloads currently employed and employed 6 months were far below their goals. In economic development enrollment, entrepreneurship training exceeded the enrollment goal but fell short on completion. There were also fewer resident-owned businesses or residents employed by those businesses than hoped. For homeownership counseling, enrollment exceeded the goal but the numbers of residents who completed counseling and purchased a home were less than expected.

Discussion

Through a detailed descriptive analysis of production and financing data from 1993-2014, this paper confirms previous expectations and findings regarding the HOPE IV program, and provides some new information and revelations. This analysis addressed the overarching research question: What is the income and tenure mix of housing units that have been produced through the HOPE VI program? We answered questions about the nature of HOPE VI re-occupancy, timeframes of production stages, financing and the CSS programs available to residents of HOPE VI developments. Our findings confirm many longstanding concerns about the program, such as the reduction in the overall public housing stock and the low return rates of
original residents, while uncovering some compelling insights about the program such as the overall focus on low-income housing production and the extent of the production of public housing homeownership units.

**Relocation, Demolition and Construction**

Overall, the main HOPE VI redevelopment product was replacement public housing units, complemented with the inclusion of affordable housing units and, in lower proportions, market-rate units. Almost half of the redevelopments did not include any market-rate housing. The vast majority of production was rental, rather than homeownership, units. It is notable that even within the properties developed for homeownership, a substantial number of units were designated for public housing. Sites with rental-only units tended to be smaller than mixed-tenure sites, and included fewer affordable and market-rate units.

Using Vale and Shamsuddin’s (2014) income mix typology, we found that well over two-thirds of the sites have a Narrow Low-Income mix of public and affordable units and about a quarter have a Broad Continuum mix of public housing, affordable and market-rate units. Our analysis also shows that the majority of HOPE VI projects have focused primarily on producing housing for low-income households, replacing over half of the public housing units demolished and building out another third of all new units as subsidized affordable units.

Looking at production over time, there was a greater focus on producing more diverse income mix at developments as the program progressed. The greatest demolition and construction of units occurred in the first ten years of the HOPE VI program. Starting in 2003, there was a leveling off of demolition, relocation and construction and a sharp drop in production of homeownership units.
The data we received included only the most recent agreed-upon projections between the grantees and HUD, thus we were not able to analyze original production projections against actual production. In most cases, grantees met their most recent projected production goals. As would be expected given the timing of the great recession and associated housing market crash, where production goals were not met it was homeownership units that most often fell short, particularly market-rate homeownership. Thus the intended mix of incomes was not achieved at many sites. This can be interpreted in at least two ways: for those who feared that HOPE VI mixed-income projects would create environments in which public housing residents in particular, and low-income household in general, were a significant minority, this has not come to pass; on the other, to the extent that the success of the mixed-income strategy is considered to depend on a broader mix of income and a critical mass of higher-income residents, including homeowners, this was not widely achieved through the HOPE VI program.

The number of phases and the time it took for each phase of development to begin and end had a major impact on how the HOPE VI program affected residents. The long periods between relocation, construction and occupancy meant an extended waiting period for those residents who hoped to move back to the new developments and likely contributed to the low return rates.

**Funding**

HOPE VI funds were used to leverage significant amounts of other public and private funding. The $6.0B of expended HOPE VI funds leveraged $11.0B non-federal funds with a total of $17.0B expended from all sources. For every dollar of HOPE VI funds, about 1.8 dollars were leveraged. Narrow Low-Income developments, which have only public housing and
affordable units, generally had less funding and were not as able to leverage additional funds as much as projects that included market-rate or homeownership.

**Community and Supportive Services**

The CSS programs provided services to original residents of the public housing developments as well as families who later moved into the revitalized site. We analyzed caseload output data, which included goals and outputs for each service. The services with the highest number of enrollments were employment preparation/placement/retention, transportation assistance, counseling, job skills training and child care. Overall, CSS programs met or exceeded most enrollment goals while on average these sites fell short of completion goals for high school or equivalent education. The CSS programs also fell short on employment retention and entrepreneurship support goals.

**Study Limitations**

There were some important limitations to this study. The findings are drawn from HOPE VI administrative project reports from 1993 to 2014 and include quantitative data on production, financing and the CSS program and thus provide a numerical documentation of the program. However, given the limited information available in the reports, we were constrained to basic descriptive and comparative statistical analyses. A text field for qualitative comments was included in the CSS reports, but those data were of limited depth, consistency and utility. Also, although these reports provide “projected” estimates regarding financing and unit production these estimates were updated over the course of the program and thus do not provide an accurate beginning time point for comparison.
Implications for Research, Policy and Practice

HOPE VI produced predominantly public housing and subsidized rental housing, with less production of market-rate rental and homeownership units than intended. Although it produced higher-quality replacement public housing in more mixed-income environments, the HOPE VI program substantially decreased the stock of public housing units. Furthermore, extended construction and occupancy timeframes and stringent re-occupancy requirements may have prevented many residents from successfully returning to the revitalized housing. HOPE VI funds successfully leveraged substantial levels of private funds for development. Due to the decrease in federal funding over time, however, unit production levels were not sustained over the life of the program. CSS programs generally achieved many of the stated enrollment goals but were limited in the number of residents they could serve and fell short of the stated goals in several important areas such as high school equivalency. These findings suggest a number of implications for policy and further research.

Implications for Research

Given the continued national and local investment in the mixed-income redevelopment, there are a number of research topics that could be pursued, either from further data collection and analysis of HOPE VI projects or from research on Choice Neighborhood grantees and other emerging mixed-income redevelopments.

- To fully understand the projected versus actual unit production through the HOPE VI program – and thus inform future development efforts and negotiations – an analysis using additional information about original projected goals is warranted.
• A deeper understanding of the income levels of residents in each band of subsidy would provide far better information about which households are benefiting from the housing and what the income mix continuum looks like in various contexts.

• Stronger performance measurement and reporting of resident outcomes would provide a critical knowledge base on the upward mobility outcomes of residents in diverse mixed-income contexts as well as those who did not return:
  o The results of various levels and combinations of supportive services.
  o How the outcomes for residents compare across different levels of income mix, for example Narrow Low-Income developments compared with Broad Continuum developments.
  o How outcomes for original residents who return compare with those who don’t.
  o How outcomes compare among original residents who return, newcomers to the public housing replacement units, residents of the affordable units, and residents of the market-rate units.
  o How resident outcomes vary with factors such as the size of the development and the tenure mix at the development.

• The nature, outcomes and impact of public housing homeownership programs is an under-examined area, including which residents qualified and participated and their outcomes.

• The focus here, given the data available, was on the developments and not the broader neighborhood context. But the surrounding neighborhoods are an important dimension to be included in future research, both as a context that shapes the strategies and outcomes in particular developments as well as a unit of change impacted by the redevelopment.
Implications for Policy and Practice

Stepping back, we can draw from these findings to suggest some key areas for continued policy focus and improvement.

- **Balancing dual priorities: ending segregation and concentrated poverty and increasing affordable housing for the poor.** This is an enduring strategic tension in this arena of housing policy. There are conflicting, legitimate policy imperatives. It would be ideal to be able to produce more high quality public housing and facilitate access to more vibrant, socioeconomically diverse neighborhoods. No housing policy has yet resolved this dual challenge and the major policy approaches: mixed-income redevelopment, housing choice vouchers, and the Rental Assistance Demonstration program each have operational advantages and important downsides. Policymakers must continue to be as intentional and comprehensive as possible in their efforts to use existing public resources to maximize the provision of housing for the poor while leveraging private sector resources to generate investments in developments and their surrounding neighborhoods. Clarity about the intended balance of these conflicting goals and vigilant accountability will be key.

- **Managing the market risks of privatization.** The mixed-finance approach to HOPE VI and the intentions of including market-rate rental and homeownership made the redevelopment efforts extremely vulnerable to market conditions. The result, evident in the early phases of the program and then exacerbated by the housing market crash, was extended delays in unit production and ultimately substantial shortfalls in the production of market-rate units. Policymakers should consider to what extent the market-rate shortfalls affected program “success” in various local contexts and examine ways to
offset the market risk; for example, might there be a benefit to smaller redevelopment phases and increased capacity-building and engagement of non-profit entities and community-based organizations?

- **Increasing return rates.** Clearly a major program shortcoming was the limited proportion of original residents who benefited from the new, higher quality housing and living environments. While some proportion of the non-returners possibly used the relocation opportunity for upward mobility to a low-poverty neighborhood, the literature suggests mixed results for those who did not return and for voucher holders in general. The policy implications include increased resources and attention to the relocation support process and strategies to make return easier such as smaller redevelopment phases and phased relocation onsite or in close proximity.

- **Program enrollment is not sufficient: Providing the requisite support services for positive outcomes.** The CSS data analyzed here provide a severely limited purview into the details of service provision and results. However, it is clear from the program reports that while the HOPE VI grantees were able to exceed their enrollment goals in many cases – indicating that they had achieved the objectives of linking with local partners and programs that were offering the forms of support needed – it appears evident that those enrollments generally did not turn into sustained engagement nor meaningful outcomes for participants. What is the scope, quality and duration of support needed to help residents affected by a mixed-income redevelopment move toward self-sufficiency?
Acknowledgements

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References


### Table 1
*Comparison of Projected and Actual Unit Production by HOPE VI Grantees*

<table>
<thead>
<tr>
<th></th>
<th>Projected⁶</th>
<th>Actual</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Rental</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public housing</td>
<td>53,226</td>
<td>49,949</td>
<td>93.8%</td>
</tr>
<tr>
<td>Affordable</td>
<td>26,674</td>
<td>23,899</td>
<td>89.6%</td>
</tr>
<tr>
<td>Market</td>
<td>9,786</td>
<td>8,530</td>
<td>87.2%</td>
</tr>
<tr>
<td>Total</td>
<td>89,686</td>
<td>82,378</td>
<td>91.9%</td>
</tr>
<tr>
<td><strong>Homeownership</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public housing</td>
<td>5,594</td>
<td>5,369</td>
<td>96%</td>
</tr>
<tr>
<td>Affordable</td>
<td>6,607</td>
<td>5,080</td>
<td>76.9%</td>
</tr>
<tr>
<td>Market</td>
<td>8,459</td>
<td>4,562</td>
<td>53.9%</td>
</tr>
<tr>
<td>Total</td>
<td>20,660</td>
<td>15,011</td>
<td>72.7%</td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public housing</td>
<td>58,820</td>
<td>55,318</td>
<td>94%</td>
</tr>
<tr>
<td>Affordable</td>
<td>33,281</td>
<td>28,979</td>
<td>87.1%</td>
</tr>
<tr>
<td>Market</td>
<td>18,245</td>
<td>13,092</td>
<td>71.8%</td>
</tr>
<tr>
<td>Total</td>
<td>110,346</td>
<td>97,389</td>
<td>88.3%</td>
</tr>
</tbody>
</table>

⁶“Projected” refers to the most recent projection numbers in the HOPE VI quarterly reports, which have been updated over time as agreements with HUD have been finalized.
Table 2
Comparison of Housing Types by Mix Type in the HOPE VI Program (N = 258)\(^7\)

<table>
<thead>
<tr>
<th>Mix Type</th>
<th>Public housing</th>
<th>Affordable</th>
<th>Market-Rate</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>n</td>
<td>M (SD)</td>
<td>%</td>
<td>M (SD)</td>
</tr>
<tr>
<td>Narrow Low-Income</td>
<td>179</td>
<td>217 (184)</td>
<td>67.8</td>
<td>101 (110)</td>
</tr>
<tr>
<td>Broad Continuum</td>
<td>66</td>
<td>195 (103)</td>
<td>42.1</td>
<td>158 (122)</td>
</tr>
<tr>
<td>Polarized Bimodal</td>
<td>13</td>
<td>283 (173)</td>
<td>60.9</td>
<td>37 (54)</td>
</tr>
<tr>
<td>Total</td>
<td>258</td>
<td>214 (167)</td>
<td>60.9</td>
<td>112 (115)</td>
</tr>
</tbody>
</table>

\(^7\) Only one site had an All But The Poorest mix type and was excluded.
Table 3
Comparison of Housing Types by Tenure Mix in the HOPE VI Program (N = 259)

<table>
<thead>
<tr>
<th></th>
<th>Public housing</th>
<th>Affordable</th>
<th>Market-Rate</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>n</td>
<td>M (SD)</td>
<td>%</td>
<td>M (SD)</td>
</tr>
<tr>
<td>Mixed-Tenure</td>
<td>184</td>
<td>220 (178)</td>
<td>58.5</td>
<td>122 (118)</td>
</tr>
<tr>
<td>Rental-Only</td>
<td>75</td>
<td>197 (137)</td>
<td>66.0</td>
<td>87 (104)</td>
</tr>
<tr>
<td>Total</td>
<td>259</td>
<td>214 (167)</td>
<td>60.6</td>
<td>112 (115)</td>
</tr>
</tbody>
</table>
Table 4
*Average Duration of HOPE VI Relocation, Demolition, Construction and Occupancy (days)*

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>M (SD)</th>
<th>Median</th>
<th>Min if &gt;0</th>
<th>Max</th>
</tr>
</thead>
<tbody>
<tr>
<td>Relocation</td>
<td>234</td>
<td>694 (623)</td>
<td>466</td>
<td>33</td>
<td>3,643</td>
</tr>
<tr>
<td>Demolition</td>
<td>218</td>
<td>516 (677)</td>
<td>268</td>
<td>23</td>
<td>4,318</td>
</tr>
<tr>
<td>Construction</td>
<td>216</td>
<td>667 (336)</td>
<td>580</td>
<td>208</td>
<td>2,949</td>
</tr>
<tr>
<td>Occupancy</td>
<td>206</td>
<td>260 (367)</td>
<td>172</td>
<td>13</td>
<td>3,939</td>
</tr>
</tbody>
</table>

8 Among the 259 sites, 234 sites provided relocation timeframes, 218 sites provided demolition timeframes, 215 sites provided construction timeframes and 206 sites provided occupancy timeframes.
Table 5
Leverage Ratio of Funding by Mix Type in the HOPE VI Program (N = 258)

<table>
<thead>
<tr>
<th>Unit Production</th>
<th>HOPE VI Funding</th>
<th>Total Funding</th>
<th>Leverage Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>n</td>
<td>M (SD)</td>
<td>M (SD)</td>
</tr>
<tr>
<td>Narrow Low-Income</td>
<td>179</td>
<td>326 (212)</td>
<td>$22.5M (11.4M)</td>
</tr>
<tr>
<td>Broad Continuum</td>
<td>66</td>
<td>492 (285)</td>
<td>$23.9M (94.8M)</td>
</tr>
<tr>
<td>Polarized Bimodal</td>
<td>13</td>
<td>500 (391)</td>
<td>$27.7M (15.9M)</td>
</tr>
<tr>
<td>Total</td>
<td>258</td>
<td>377 (255)</td>
<td>$23.1M (11.2M)</td>
</tr>
</tbody>
</table>
### Table 6
**Leverage Ratio of HOPE VI Funding by HUD Regions**

<table>
<thead>
<tr>
<th>Name</th>
<th>Number of Grants</th>
<th>Unit Production</th>
<th>HOPE VI Funding</th>
<th>Total Funding</th>
<th>Leverage Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>( n )</td>
<td>%</td>
<td>( \text{Sum} )</td>
<td>( \text{Sum} )</td>
<td>( \text{Sum} )</td>
</tr>
<tr>
<td>Southeast-Caribbean</td>
<td>75</td>
<td>28.8%</td>
<td>31,815</td>
<td>1.6B</td>
<td>4.3B</td>
</tr>
<tr>
<td>Mid-Atlantic</td>
<td>43</td>
<td>16.5%</td>
<td>12,712</td>
<td>903.4M</td>
<td>2.5B</td>
</tr>
<tr>
<td>Midwest</td>
<td>41</td>
<td>15.8%</td>
<td>14,389</td>
<td>1.0B</td>
<td>2.6B</td>
</tr>
<tr>
<td>New York-New Jersey</td>
<td>24</td>
<td>9.2%</td>
<td>9,308</td>
<td>586.7M</td>
<td>1.9B</td>
</tr>
<tr>
<td>Southwest</td>
<td>19</td>
<td>7.3%</td>
<td>7,767</td>
<td>488.2M</td>
<td>1.2B</td>
</tr>
<tr>
<td>Pacific</td>
<td>18</td>
<td>6.9%</td>
<td>5,665</td>
<td>391.5M</td>
<td>1.2B</td>
</tr>
<tr>
<td>New England</td>
<td>15</td>
<td>5.8%</td>
<td>4,060</td>
<td>346.6M</td>
<td>1.2B</td>
</tr>
<tr>
<td>Northwest</td>
<td>12</td>
<td>4.6%</td>
<td>6,654</td>
<td>323.9M</td>
<td>1.3B</td>
</tr>
<tr>
<td>Great Plains</td>
<td>8</td>
<td>3.1%</td>
<td>3,279</td>
<td>179.1M</td>
<td>420.8M</td>
</tr>
<tr>
<td>Rocky Mountain</td>
<td>5</td>
<td>1.9%</td>
<td>1,740</td>
<td>87.8M</td>
<td>380.4M</td>
</tr>
<tr>
<td>Total</td>
<td>260</td>
<td>100.0%</td>
<td>97,389</td>
<td>6.0B</td>
<td>17.0B</td>
</tr>
</tbody>
</table>

*Note: In order of number of grants*
Table 7

*Enrollments of Caseloads Receiving HOPE VI CSS Programs*

<table>
<thead>
<tr>
<th>Service Type</th>
<th>Enrollment</th>
<th></th>
<th>Goal</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Enrollment</td>
<td>Goal</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td><em>M</em></td>
<td><em>Median</em></td>
<td><em>M</em></td>
</tr>
<tr>
<td>Employment Preparation/Placement/Retention</td>
<td>333</td>
<td>170</td>
<td>179</td>
<td>100</td>
</tr>
<tr>
<td>Transportation Assistance</td>
<td>291</td>
<td>110</td>
<td>136</td>
<td>70</td>
</tr>
<tr>
<td>Counseling Programs</td>
<td>239</td>
<td>87</td>
<td>146</td>
<td>444</td>
</tr>
<tr>
<td>Job Skills Training Programs</td>
<td>135</td>
<td>77</td>
<td>100</td>
<td>70</td>
</tr>
<tr>
<td>Child Care</td>
<td>116</td>
<td>61</td>
<td>97</td>
<td>60</td>
</tr>
<tr>
<td>High School or Equivalent Education</td>
<td>71</td>
<td>39</td>
<td>52</td>
<td>32</td>
</tr>
<tr>
<td>Substance Abuse Programs</td>
<td>24</td>
<td>6</td>
<td>22</td>
<td>10</td>
</tr>
<tr>
<td>English as a Second Language (ESL) Courses</td>
<td>16</td>
<td>0</td>
<td>15</td>
<td>0</td>
</tr>
</tbody>
</table>
Figure 1
*Cumulative Redevelopment Progress by HOPE VI Grant Award Year (N = 18)*

---

9 In the award year information of 2011, only 12 units were constructed. This information was excluded.
Figure 2
*Rental and Homeownership Unit Production by HOPE VI Grant Award Year (N = 18)*

![Graph showing rental and homeownership unit production by HOPE VI Grant Award Year](image-url)
Figure 3
Proportion of Mix Type across HOPE VI Developments (N = 259)

- Narrow Low-Income: 179 (69.1%)
- Polarized Bimodal: 66 (25.5%)
- All But The Poorest: 1 (0.4%)
- Broad Continuum: 1 (0.4%)

Legend:
- □ Narrow Low-Income
- □ Polarized Bimodal
- ■ All But The Poorest
- ■ Broad Continuum
Figure 4
Expended HOPE VI and Total Funding by Award Year
Figure 5
*Return Rates by HOPE VI Award Year*