



# Mixed-Income Development Study

THE UNIVERSITY OF CHICAGO SCHOOL OF SOCIAL SERVICE ADMINISTRATION  
CASE WESTERN RESERVE UNIVERSITY MANDEL SCHOOL OF APPLIED SOCIAL SCIENCES

## Chicago's Public Housing Transformation: What Happened to the Residents?

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# Chicago's Public Housing Transformation: What Happened to the Residents?<sup>1</sup>

Twelve years after the start of the Chicago Housing Authority's Plan for Transformation (the Transformation), more than 16,000 families have been relocated into a variety of housing contexts including new mixed-income developments, private rental housing subsidized with vouchers, scattered-site public housing units, and rehabilitated traditional public housing developments. These households have been relocated with the stated goals of reducing concentrated poverty, revitalizing neighborhoods, and improving well-being, but questions remain about what has happened to the residents. Where did families end up? Are different types of households moving to different housing contexts? Does family well-being differ based on housing type?

In this brief, we explore:

- The factors contributing to household relocation decisions.
- Relocated households' current locations and characteristics of their new neighborhoods.
- Differences in household well-being for families living in different housing contexts.

Counter to expectations based on the strict selection criteria for mixed-income developments and the skills required to navigate the private market with vouchers, our analysis reveals no evidence of any sorting of "higher-functioning" households into these housing contexts, with more challenged households left behind in traditional public housing developments. On the contrary, we find that the households taking vouchers were relatively more disadvantaged at the start of the Transformation compared to those relocated to other housing types and have even more troubling indicators of well-being now. Furthermore, while the households living in scattered-site housing seem to be faring quite well, those in mixed-income developments are surprisingly indistinguishable across most well-being indicators from the households living in traditional public housing developments.

## ABOUT THE PLAN FOR TRANSFORMATION

Chicago's Plan for Transformation, which was announced in October 1999, represents the most ambitious effort in the United States to remake public housing. Scheduled for completion in 2015, the Transformation will result in the demolition of approximately 22,000 units of public housing, the rehabilitation of over 17,000 units in traditional, senior, and scattered-site public housing developments, and the creation of more than 7,700 public housing replacement units in new mixed-income developments that also include a mix of affordable and market-rate housing. Under the Relocation Rights Contract, a legal agreement that was established between the Chicago Housing Authority and its residents at the start of the Transformation, all lease-compliant households living in Chicago public housing as of October 1, 1999, are guaranteed a "right of return" to one of these new or rehabilitated units or to accept a permanent housing choice voucher to be used in the private rental market.

<sup>1</sup> This brief is based on a longer paper, "Public Housing Transformation and Resident Relocation: Comparing Destinations and Household Characteristics in Chicago" (Chaskin, Joseph, Voelker, and Dworsky, forthcoming, *Cityscape*).

### Factors Contributing to Relocation Decisions

A primary stated goal of the Transformation was to end the social isolation of residents of public housing and create opportunities for these households to choose where to live. However, these opportunities were constrained and shaped by several important factors.

*Structural limitations.* Units in the new mixed-income developments will be limited, with only about 7,700 projected to be available for the more than 16,000 relocated public housing families. These units also tend to be smaller and contain fewer bedrooms than other relocation options, making them less feasible for larger families. Housing choice voucher (HCV) units in the private market are limited by the availability, location, and quality of rental units held by landlords willing to accept vouchers.

*Screening and selection processes.* Stringent selection criteria were put in place at the mixed-income developments by the Chicago Housing Authority (CHA) and developers, including 30 hour per week work requirements, drug tests, and background and credit checks. Although there are exemptions available for those physically unable to work and a “working to meet” designation for those engaged with service providers to address any areas that would make them ineligible, relocating residents were well aware of the strict pre-occupancy screening and post-occupancy monitoring that would be in place. By contrast, there were fewer eligibility criteria for the other housing options, and the assessment and screening processes for these units were, in general, more lenient.

*Administrative constraints.* The relocation process was large in scale and pressured by the pace of the high-rise demolition schedule. Relocating residents was a highly complicated process with shifting policies and procedures and numerous actors with overlapping roles. At the start of the Transformation, disseminating and receiving accurate, up-to-date information was challenging for both residents and staff. Years of mismanagement and poor service had also resulted in low levels of trust in the information shared and commitments made by the CHA. In many cases, residents had little information on which to base their housing choices, were heavily dependent on relocation counselors, and ended up with very limited time to make high-stakes decisions about where to live.

### Given the Constraints, What Relocation Patterns Might be Expected?

Because of these constraints, we expected to find households with certain characteristics sorted into particular housing contexts.

*Households that relocate to mixed-income developments.* One might expect residents who qualify for and choose this type of housing to face fewer challenges than residents in other housing types. Resident screening and monitoring by private developers may deter and exclude those who think they may not qualify or be able to abide by the rules and expectations.

*Households that relocate using Housing Choice Vouchers.* One might also expect residents who are able to move out of traditional public housing and into private rental housing to be those who are facing fewer challenges. These residents must navigate the private market and find both an available unit and a landlord willing to accept a voucher.

*Households that remain in traditional public housing developments.* Finally, one might expect that residents who remain in traditional public housing would be those with greater challenges to becoming independent, such as chronic unemployment, disabilities, mental or physical health problems, or other household challenges. This also may be the most feasible option for large families.

**Where Are Residents Living?**

In October 1999, at the start of the Transformation, there were approximately 16,500 households living in non-senior CHA housing. By the end of 2008, nearly ten years into the Transformation, 60 percent of these families (or 9,980 households) were still living in one of four CHA-subsidized housing types.

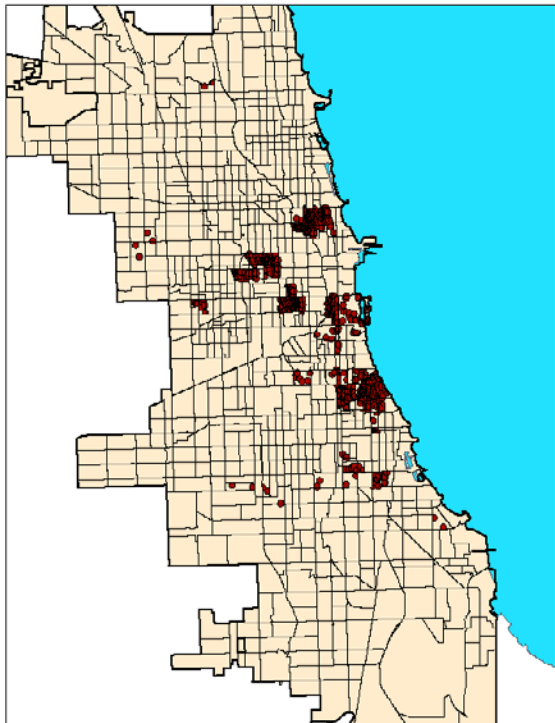
<b>CHA Households by Housing Type, 1999 and 2008</b>				
	<b>1999 (#)</b>	<b>1999 (%)</b>	<b>2008 (#)</b>	<b>2008 (%)</b>
<b>Households</b>	<b>16,552</b>		<b>9,980</b>	
Mixed-income developments	—	—	1,278	13%
Housing Choice Vouchers	—	—	3,978	40%
Scattered-site public housing	2,471	15%	1,571	16%
Traditional public housing developments	14,081	85%	3,153	31%

These remaining CHA residents—the majority of whom were concentrated in large, traditional public housing high-rise developments in 1999—had been dispersed to neighborhoods throughout the city by 2008. As seen in the map below, a few patterns by housing type are apparent:

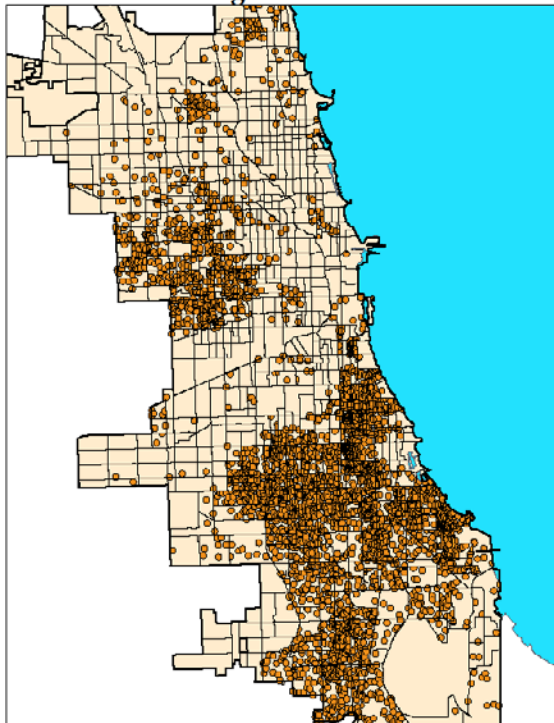
- The majority of voucher holders have relocated to traditionally African American neighborhoods on the south and west sides of the city.
- Scattered-site units, by design, are more broadly dispersed around the city, including many in the more affluent north side.
- Smaller numbers of residents now live in the mixed-income developments that have replaced the large high-rises, many surrounding the downtown business district.

### Location by Housing Type, 2008

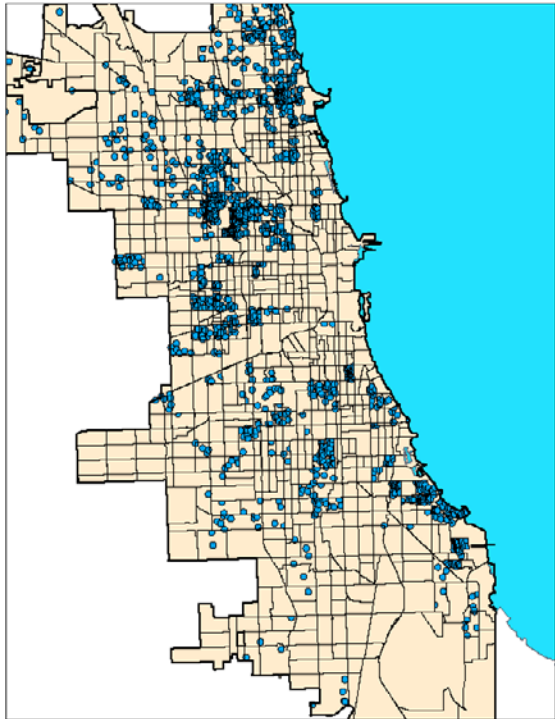
Mixed-Income



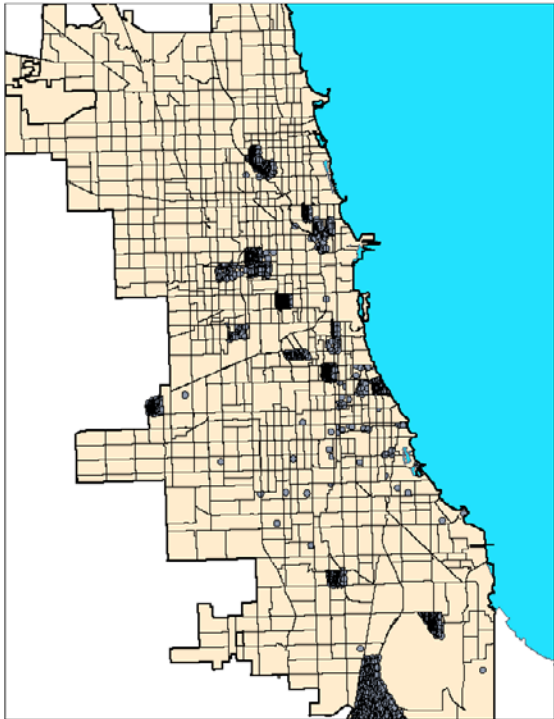
Housing Choice Voucher



Scattered Site

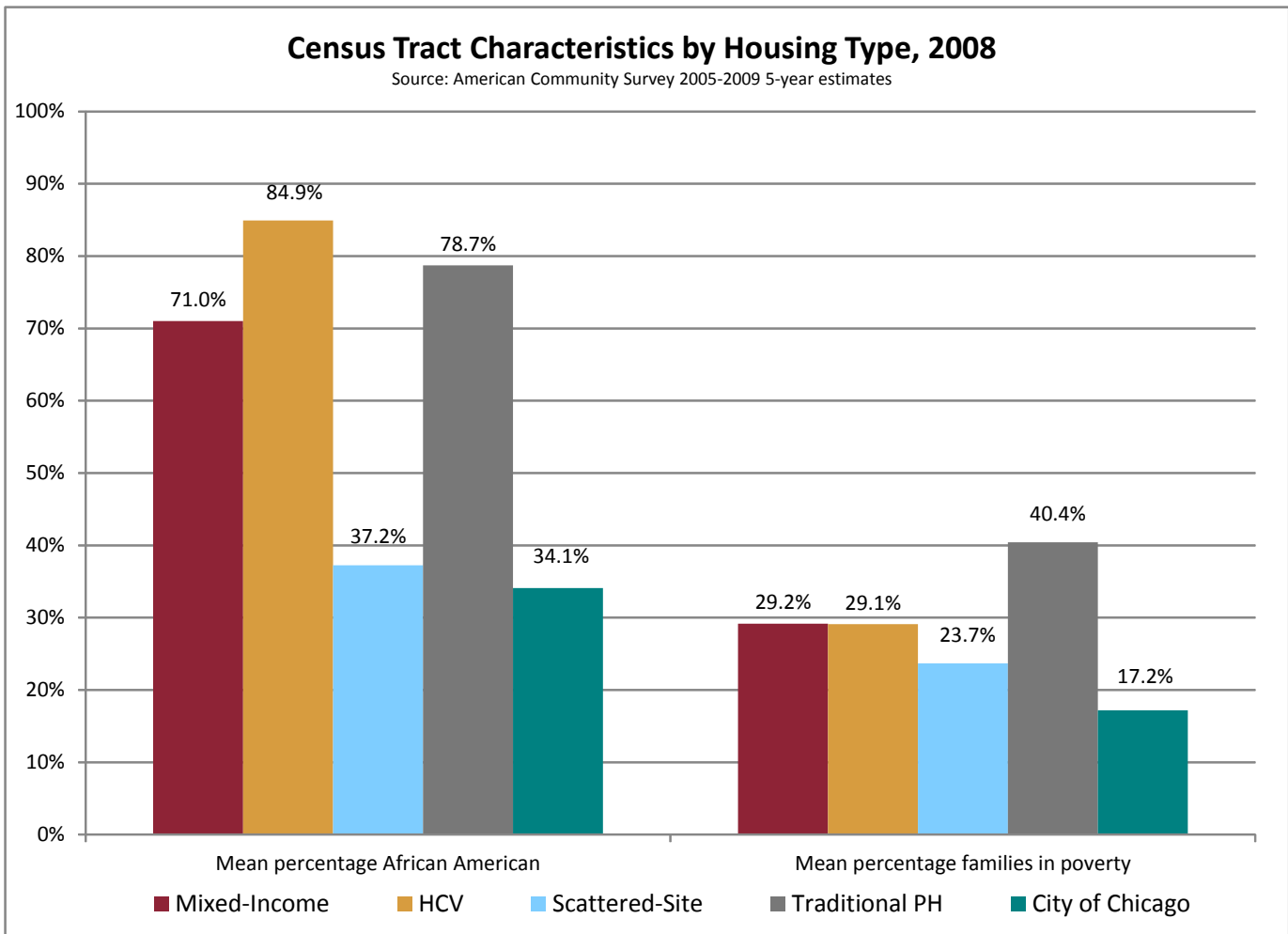


Traditional PH



There are also some key differences in the neighborhoods where residents of different housing types settled:

- In 2008, HCV households were living in areas with the greatest average percentage of African American residents, leaving them in more racially segregated neighborhoods than those in traditional public housing developments.
- Residents of mixed-income developments and HCV households had moved to areas with considerably lower poverty rates compared to those in traditional public housing developments.
- Scattered-site households were living in areas with the lowest percentages of African Americans and families in poverty but still above the city average.



### Was There Sorting of Households by Family Characteristics?

We compared household characteristics in 1999 and 2008 according to where families were living in 2008. Most significant differences were between households that moved with vouchers and those living in one or more of the other three housing types. At the start of the Transformation and nearly 10 years later, the HCV households had the youngest heads of household, included the most children, and had spent the fewest number of years in public housing. Nearly all of these households (more than 99 percent) included at least one child under the age of 11 in 1999. By 2008, these households were the least likely to include very young children and the most likely to include teenagers.

1999 Household Characteristics by 2008 Housing Type					
	Total	Mixed-Income	HCV	Scattered Site	Traditional PH
Percent of households headed by females	89.8	89.5	98.4	88.7	85.6
Mean age of head in years	39.6	41.0	34.9	42.6	43.6
Mean number of household members	3.2	2.8	3.5	3.4	2.8
Mean number of children	1.8	1.5	2.3	1.9	1.4
Mean number of years in CHA housing	6.9	7.3	6.2	7.3	7.4

Perhaps these larger families were able to find more adequately sized units in the private market or wanted to avoid the stricter rules and monitoring associated with some of the other housing options. Given that HCV households had lived, on average, fewer years in public housing, they may have also been more open to moving away from a development setting.

There were few significant differences between the households that moved to mixed-income developments and those that ended up in traditional public housing in either 1999 or 2008. This is surprising given that the units in mixed-income developments tended to be smaller and possibly less child-friendly than traditional public housing units due to thin walls and stringent monitoring of noise and behavior.



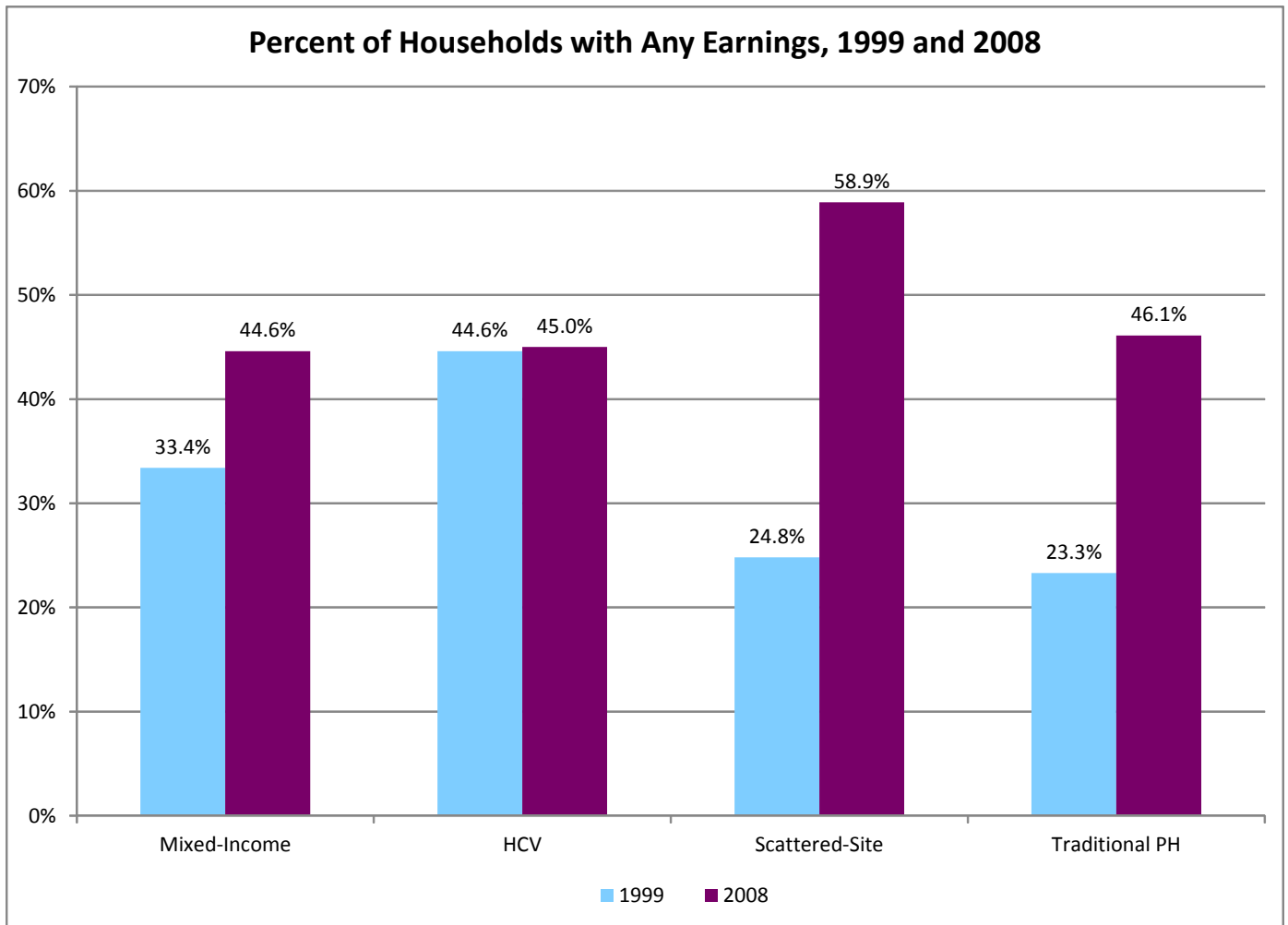
**How Were Households Faring at the Start of the Transformation and Ten Years Later?**

We examined the well-being of relocated households using administrative data on three types of indicators: labor force participation (household employment and earnings), public assistance (TANF and food stamp receipt), and youth-based systems involvement (child welfare and juvenile justice).

*Employment and Earnings*

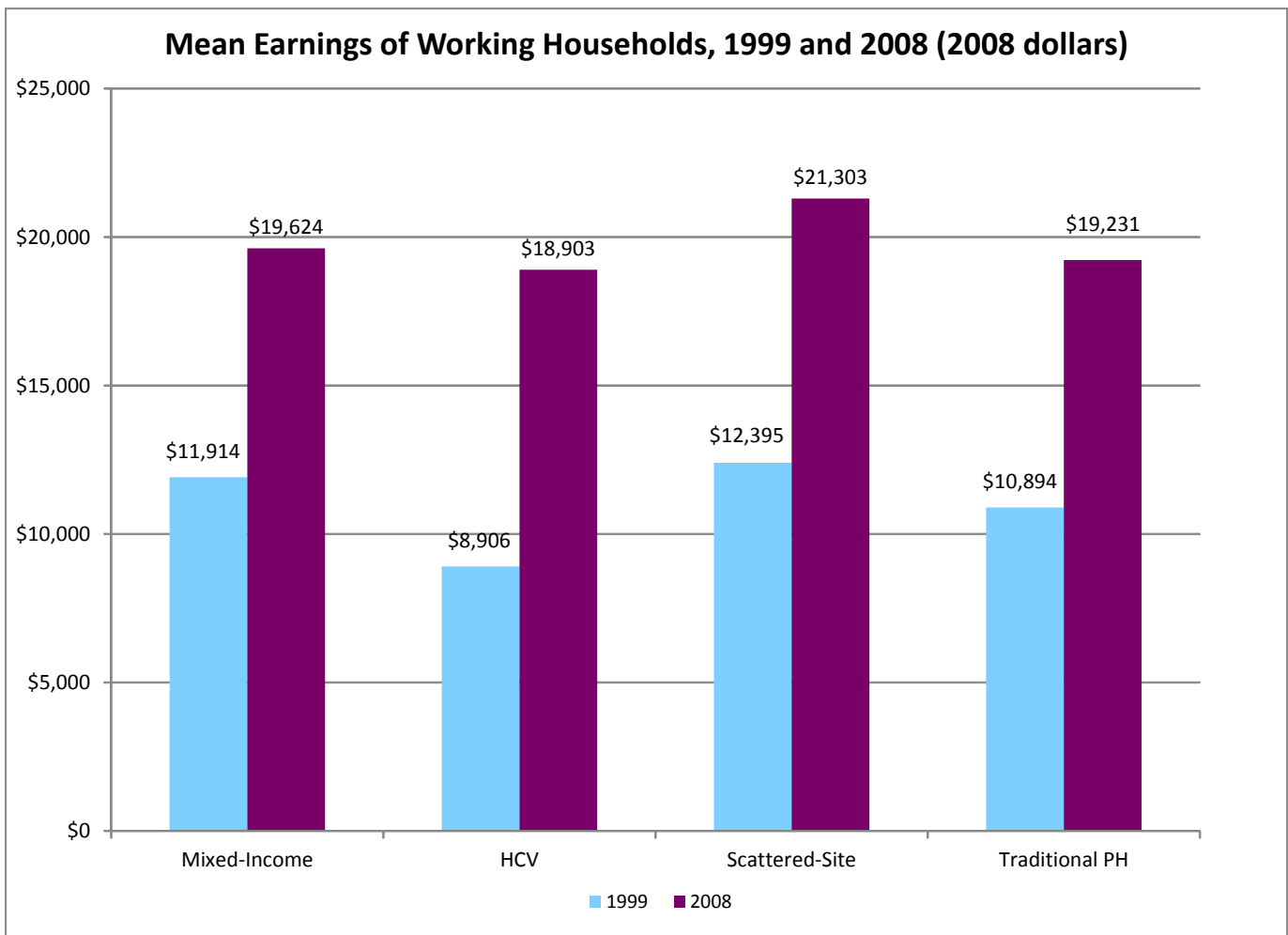
In 1999, when most families were still living in traditional public housing developments, all households had extremely low rates of employment and average annual earnings, but there was considerable variation among households that would ultimately end up in different types of housing:

- Future HCV households were the most likely to be employed in 1999 (46 percent) but earned less on average when they were working and reported earnings in fewer quarters than other households.
- Households that would relocate to mixed-income developments had a higher rate of employment (33 percent) in 1999 than those that would be in scattered-site and traditional public housing in the future.
- Working households had average annual earnings in 1999 that ranged from about \$9,000 for future HCV households to about \$12,400 for those who would be in scattered-site housing.



The employment and earnings picture had changed dramatically by 2008:

- Scattered-site households were now significantly more likely to be employed (59 percent) than households in any other housing type. HCV households were the only group to not experience a significant increase in employment rate.
- Despite the 30 hour per week work requirement for residents of mixed-income developments, the proportion of mixed-income households with earnings from employment in 2008 was similar to those in voucher and traditional public housing.
- Average earnings among workers rose in all household types. Scattered-site workers had the highest average earnings in 2008.



*TANF and Food Stamp Receipt*

Consistent with national trends, TANF receipt dropped drastically among families in all housing types between 1999 and 2008. In 1999, 56 percent of these households overall received TANF; by 2008, that percentage had dropped to only 14 percent. By contrast, receipt of food stamps remained relatively stable over time. Seventy-five percent of households in all housing types received food stamps in 1999 compared to 74 percent in 2008.

There were some significant differences among housing types:

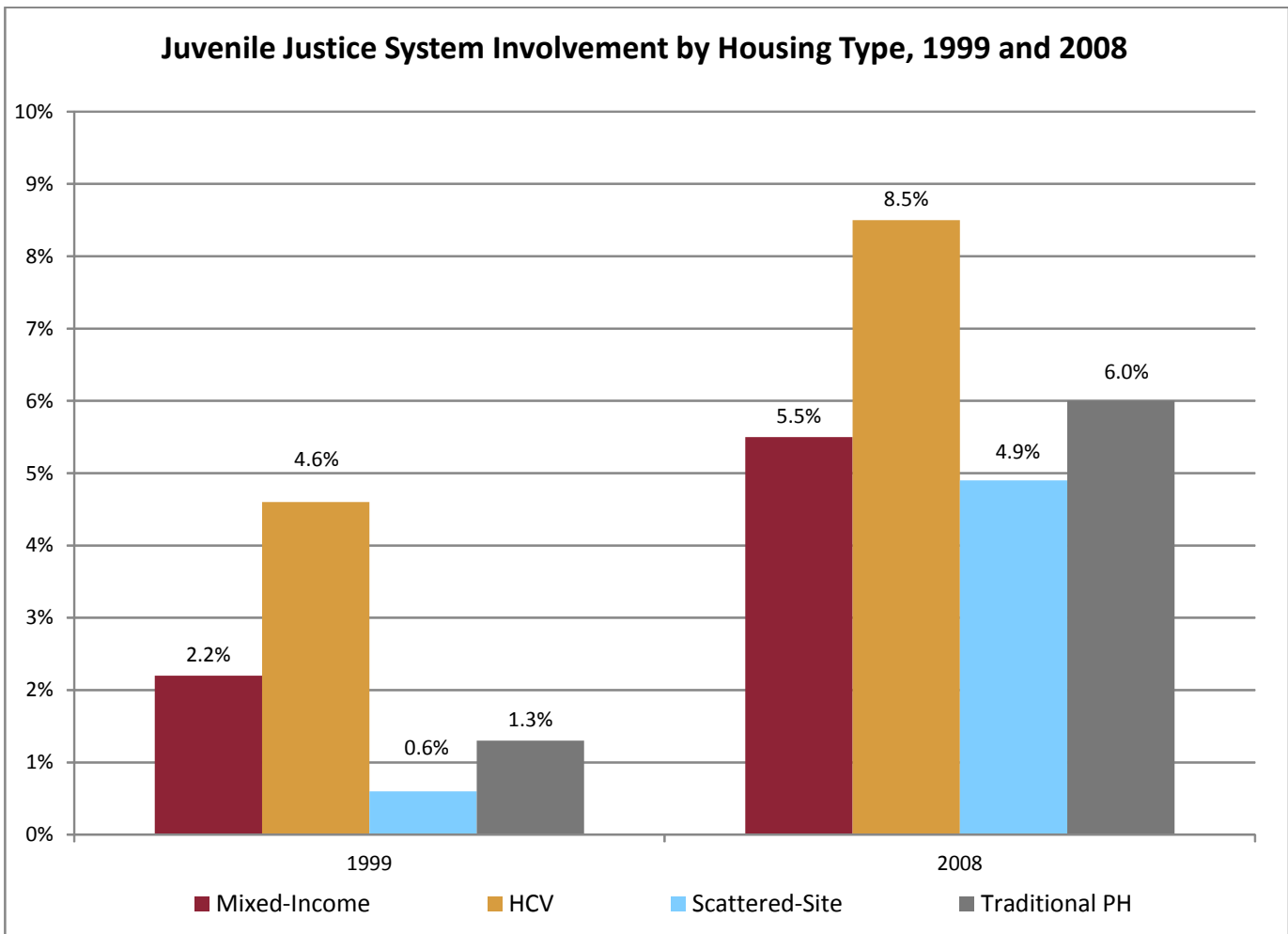
- Nearly 80 percent of households that would relocate with vouchers were receiving TANF in 1999, significantly higher than all other housing types. These households also had the highest rate of food stamp receipt (85 percent) in 1999.
- Surprisingly, a greater proportion of future mixed-income households were receiving TANF in 1999 (64 percent) compared to those that would end up in traditional public housing (57 percent).
- By 2008, the rates of TANF receipt were not significantly different among housing types, but HCV households continued to have the highest rate of food stamp receipt (84 percent).

<b>TANF and Food Stamp Receipt by Housing Type, 1999 and 2008</b>					
	<b>Total</b>	<b>Mixed- Income</b>	<b>HCV</b>	<b>Scattered Site</b>	<b>Traditional PH</b>
<b>Percent households receiving TANF</b>					
<b>1999</b>	67.5	63.9	79.8	55.6	57.1
<b>2008</b>	16.7	15.7	16.7	17.1	16.8
<b>Percent households receiving food stamps</b>					
<b>1999</b>	75.1	72.2	85.1	67.9	67.3
<b>2008</b>	74	68.8	83.5	65.4	68.3

*Child Welfare and Juvenile Justice Involvement*

Overall, about four percent of households with children had some involvement with the child welfare system in 1999, and this figure increased only slightly to five percent in 2008. Future HCV households were more likely to be involved with the child welfare system at the start of the Transformation than those that would end up in mixed-income and traditional public housing developments, but there were no significant differences between housing types by 2008.

Among households with older children (ages 11 to 17), juvenile justice system involvement increased from 2.5 percent overall in 1999 to seven percent in 2008. This increase is likely due to the fact that more children had entered adolescence—when delinquency is more likely to occur—by 2008. Future HCV households were more likely to be involved in the juvenile justice system than future traditional public housing and scattered-site households, but again, significant differences between housing types were no longer evident in 2008.



### A Closer Look at Findings on Voucher and Mixed-Income Households

From our comparisons of well-being across different housing types in 1999 and 2008, two important patterns emerged:

- Households that relocated with vouchers stood out from others for what might be seen as their greater vulnerability.
- Households that relocated into mixed-income developments were surprisingly indistinguishable across most indicators from the households that ended up in traditional public housing developments.

We explored these findings more closely with statistical models in which we could account for differences among families, such as age of household head, household size, number and age of children, and time spent in public housing. After controlling for differences in family composition and residential history, HCV households were still less likely in 2008 to have earnings from employment, earned significantly less on average, and were more likely to receive food stamps than families in all other housing types.

We also explored whether residents who had been living in mixed-income developments for a longer period of time might show stronger indicators of well-being, controlling for other factors. One reason this might occur is that any positive effects on these indicators may take time to emerge as residents settle into new environments, are exposed to their higher-income neighbors, and gain access to the opportunities and resources those neighbors—and new investments in the broader neighborhood—provide. We found the following:

- Length of time in a mixed-income development had no significant relationship with TANF receipt, food stamp receipt, or juvenile justice system involvement.
- The longer residents had lived in a mixed-income development, the less likely they were to be employed in 2008, though the effect was very small.
- Length of time in a mixed-income development was also negatively related to earnings; more months in mixed-income was associated with lower 2008 earnings.

Notwithstanding other benefits suggested by current research on mixed-income developments—safer and healthier environments, reduced stress, changes in personal aspirations and motivation, and greater satisfaction with the built environment—our analyses suggest that residence in a mixed-income development has not translated into the intended benefits for relocated households on the indicators measured here. These findings should be interpreted with caution, however, given the broader context of the national recession, the “working to meet” exemptions available to residents of mixed-income developments, and the relatively short time that residents have been living in these new places. It is possible that over time and with a recent shift to focus on more intensive services for this population, residents of mixed-income developments may see some gains.

**WHAT HAPPENED TO THE OTHER HOUSEHOLDS?**

At the end of 2008, approximately 6,600 households with a right to return under the Transformation were unaccounted for and not living in CHA-subsidized housing. Recent information provided by the CHA sheds some light on what has happened to these “missing” households.

<b>Missing Households, 2010</b>	
Evicted from CHA housing	1,231
Left voluntarily after moving to new/ rehabilitated housing	581
Living unsubsidized in private market awaiting right to return	712
Deceased	1,050
No contact with CHA	3,035
<b>Total</b>	<b>6,609</b>

We found that households evicted from CHA housing over the course of the Transformation showed some signs of greater vulnerability in 1999. By 2008, after they had lost their housing subsidies, very few of these households were employed (less than 8 percent), and their rates of TANF and food stamp receipt had declined, suggesting they may be having great difficulty accessing needed support. By contrast, households that left CHA housing voluntarily looked very similar to the larger public housing population in 1999 but had experienced significant gains in earnings by 2008 that may have facilitated their exit from public housing.

**Summary of Key Findings**

Twelve years into the Plan for Transformation, much has been accomplished. Thousands of public housing residents have been moved out of the now demolished high-rise towers into new mixed-income developments, private market units subsidized with vouchers, and rehabilitated traditional and scattered-site public housing units. Our analyses reveal much about the residents who have been relocated, the types of housing into which they have moved, and their current well-being on a number of indicators.

- In several ways, households that relocated with vouchers appear more vulnerable than other households and may have a harder time benefiting fully from relocation. Most have moved to neighborhoods that are high-poverty and predominantly African American. They had family characteristics which likely presented more barriers to economic and residential mobility in 1999 and were worse off than other households on several indicators of well-being in 2008.

- Despite stringent screening processes, households that moved into mixed-income developments do not appear to have been “creamed” from the general public housing population and were not faring relatively better than families in other types of housing in 2008.
- Households living in remaining traditional public housing developments do not appear to be the highest-need families based on the indicators we measured here. Notably, the employment rate for this group nearly doubled between 1999 and 2008, and working households were earning almost twice as much on average in 2008 compared to the start of the Transformation.
- The most promising story seems to be among residents in scattered-site housing, who are much more likely to be living in lower poverty and more racially diverse neighborhoods and who outperformed all other groups on employment and earnings measures in 2008. Stability may also be a factor here; many of these households were already living in scattered-site housing at the start of the Transformation and have been able to return to their housing following rehabilitation while others were being relocated often multiple times.

### Implications for Policy and Practice

Given that large-scale public housing relocation and redevelopment efforts continue in Chicago and elsewhere, it is important to consider the implications of our findings. We suggest three possible directions for housing practitioners and policymakers:

*Post-occupancy support for households relocated to mixed-income developments appears critical.* The Chicago Housing Authority originally planned to end social services to relocated households once they had moved into a mixed-income development. More recently, the contracts to service providers have been extended to a year of post-occupancy support. Our findings suggest that much longer-term support will need to be provided.

*Consider developing an outreach, assessment, and support system tailored to voucher holders.* This large population has been dispersed into neighborhoods across the west and south sides of the city, many of which are isolated and have limited resources to support such households. Our findings suggest that this population is more disadvantaged and systems-dependent than other relocatees, and the Plan for Transformation has had no service strategy designed to meet the special circumstances of this hard-to-reach population.

*Explore the possibilities of expanding scattered-site housing approaches as a strategy for deconcentrating poverty.* The CHA recently began using project-based vouchers as a means of continuing momentum towards reaching the Transformation’s ultimate goal of 25,000 redeveloped public housing units. Project-based vouchers have the potential to achieve a similar dispersal outcome as scattered-site housing without the expense of building new developments. This strategy also relieves residents of the challenge of finding landlords willing to accept vouchers, as that responsibility would shift to the CHA.

### A NOTE ABOUT DATA SOURCES

Our analysis uses data from three sources. The Chicago Housing Authority provided information about all households that had a “right of return” under the Relocation Rights Contract. This information included residential histories, demographic characteristics of all adult and child household members, and current address and housing type as of November 2008. The household member records were linked through probabilistic matching to the integrated database at Chapin Hall at the University of Chicago, which contains administrative records from a variety of state and local agencies. These data were used to measure labor force participation, TANF and food stamp receipt, child welfare services, and juvenile justice system involvement. Additional household-level data from the start of the Transformation were obtained from the U.S. Department of Housing and Urban Development.



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