RESEARCH BRIEF 6

Mixed-Income Development Study

THE UNIVERSITY OF CHICAGO SCHOOL OF SOCIAL SERVICE ADMINISTRATION
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Why Do So Few Residents Return to Mixed-Income Developments? Insights into Resident Decision-Making

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Why Do So Few Residents Return to Mixed-Income Developments? Insights into Resident Decision-Making[1]

In the largest public housing reform effort in any city in the U.S., several high-rise public housing developments in Chicago have been demolished and are being replaced by mixed-income developments. Advocates for public housing residents have worked hard to negotiate a "right to return" to these new developments, which contain a mix of public housing replacement, affordable, and market-rate housing. Yet, as in other cities across the country, only a small percentage of residents, about 11 percent, have so far returned to the mixed-income developments. As a result, relatively few relocated public housing residents are directly benefiting from the major investment being made in mixed-income housing.

In this brief, we explore the factors that influenced relocated public housing residents' decisions to return or not return to a mixed-income development. Through interviews with relocated public housing residents of three mixed-income developments in Chicago—Jazz on the Boulevard, Oakwood Shores, and Westhaven Park—as well as a group of residents who chose not to return, we find that the following issues significantly influenced resident decision-making:

- Attachments to place and people
- Time pressures and other constraints
- Anticipated benefits from the mixed-income environment
- Trade-offs and risks associated with moves to mixed-income developments

DESCRIPTION OF MIXED-INCOME DEVELOPMENT STUDY SITES

Oakwood Shores, on the south side of the city, is being built in place of Ida B. Wells/Madden Park, and will ultimately be one of the largest mixed-income developments in Chicago with 3,000 projected total units. One-third of these units will be occupied by relocated public housing residents, with the remainder split between affordable (23%) and market-rate (44%) residents. It is being developed by a national non-profit organization, The Community Builders, in partnership with Chicago-based private developer Granite Development Corporation.

Westhaven Park is the second phase of the redevelopment of Henry Horner Homes on the city's west side, the first phase of which was completed prior to the launch of the Plan for Transformation. Units produced in the initial pre-Transformation phase were only for public housing residents. The entire development will consist of 1,316 units, 63% of which will be set aside for relocated public housing residents (including some off-site housing), 10% for affordable residents, and 27% for market-rate residents. Westhaven Park is being developed by Brinshore Michaels, a team of private developers.

Jazz on the Boulevard, on the south side of the city, was built as replacement housing for the Lakefront Properties. Consisting of 137 units, it is the smallest of Chicago's major mixed-income developments and was completed in 2007. Twenty-two percent of units are occupied by relocated public housing residents, 26 percent by affordable residents, and 52 percent by market-rate residents. It was developed by two Chicago-based for-profit corporations, Thrush Development and Granite Development Corporation, and a local non-profit agency, Heartland Housing.

[1] This brief is based on a longer paper, "Mixed-Income Developments and Low Rates of Return: Insights from Relocated Public Housing Residents in Chicago" (Joseph and Chaskin, forthcoming, *Housing Policy Debate*).

Chicago's Relocation Process

Residents' decisions about whether or not to return to a mixed-income development in Chicago were made in the context of a larger relocation process. Starting in 1999, with the announcement of the Plan for Transformation (the Transformation)—the city's plan to redevelop or rehabilitate 25,000 units of public housing—residents were relocated out of developments scheduled for demolition and into temporary placements across the city. Certain aspects of this process posed challenges to the public housing population and may have affected their final relocation decisions. Some of these challenges included the rushed pace of demolition and relocation followed by long delays before units in the new mixed-income developments became available; limited and changing information provided to residents by the Chicago Housing Authority (CHA), relocation counselors, service providers, and others; an underfunded social service system at the start of the Transformation; and difficult-to-manage tracking and administrative procedures that further slowed outreach and recruitment efforts.

In addition, residents wishing to return to one of the mixed-income developments are, in most cases, subject to stringent eligibility criteria, including 30 hour per week work requirements, drug screenings, and background and credit checks. Residents who do not meet these criteria are still able to move to a mixed-income development provided that they are engaged with service providers to address any issues that make them ineligible.

In this challenging context, as of early 2011, approximately 11 percent of public housing families with a "right to return" have moved into one of Chicago's mixed-income developments, while 60 percent have chosen to live elsewhere (including traditional public housing, scattered-site housing, or in the private market with or without the help of a CHA subsidy). Twenty percent of those living elsewhere have yet to make a final housing decision; the remaining residents have died or been evicted.[2] As the build-out of mixed-income developments continues in Chicago and other cities across the U.S., it is important to understand the factors influencing residents' decision-making as they choose to either return or not return to these new environments.

[2] See "The Plan for Transformation: An Update on Relocation" (Chicago Housing Authority, April 2011) for more information on the current status of the Transformation and the relocated population.

Attachments to Place and People Are Important

The most common reason cited by residents for returning to a mixed-income development was their ties to the neighborhood—both the location and the friends and family who live nearby. This was true of over two-thirds of Oakwood Shores respondents, about one half of Westhaven Park respondents, and more than a quarter of Jazz on the Boulevard respondents. Among residents who chose not to return to a mixed-income development, a majority mentioned some kind of connection to the neighborhood where they were currently living.

Some residents described feeling an emotional attachment to the area, having lived there for so long. As an Oakwood Shores resident explained:

> *I've been living in this particular area for 30 [years], this is all I've known. I came here when I was a little girl … so I've been here like practically all my life…. I love the area. So I basically chose Oakwood Shores to stay in the area.*

Others gave more pragmatic reasons for wanting to return to their communities. Despite the shortcomings of these areas, residents have figured out where and how to get their needs met there. They mentioned access to local amenities like public transportation routes, schools, and other resources that they rely on for their families as an important part of their decision-making process. For residents who chose not to return, many had worked hard to make these connections in new neighborhoods following their initial relocation and were not interested in going through the process again.

About half of the respondents who talked about their attachment to the place as an important factor in their decision to return to a mixed-income development also made specific reference to the people associated with that place. As one Westhaven Park resident put it:

> *Honestly just growing up here … and wanting to be around family and friends – an area you are familiar with. And I didn't really wanna leave because this was really just where family and friends were.*

Some residents mentioned a family member or friend who moved into the mixed-income development first and through whom they were able to get a sense of what living there would be like. For example, an Oakwood Shores resident who returned to the site after a temporary relocation in another neighborhood told us:

> *"My friend moved over here first, so I got a chance to see how it looked and stuff. Then my sister moved over here. Then I … moved over here."*

Time and Other Pressures Limit Options

Another common reason given by residents for their relocation choices was a sense of pressure due to limited time in which to make their decisions and other constraints, including bureaucratic hurdles, personal family circumstances, and a lack of clear information.

About one-third of respondents at each of the three mixed-income developments specifically mentioned feeling their choices were limited and having to settle for whichever options were available quickly. For some, the conditions in their former public housing developments left residents wanting to move as soon as possible, not leaving time for consideration of all the options. According to an Oakwood Shores resident:

> *My whole focus was just moving. You know, I'm just like, anything has to be better than where I'm staying right now. That's all – I mean, to be honest, that's what I was thinking. And that was my whole focus … I have to get out of here.*

Others who returned to mixed-income developments said they would have preferred to take a housing voucher to use in the private market but could not because of the bureaucratic hurdles and time it would take to get approved for the voucher and then find a rental unit where they could use it. Health issues and lack of transportation also kept residents from choosing vouchers even when they preferred them due to the need to visit multiple apartments or remain near public transportation. As a Westhaven Park resident explained: "Now if I would've had a car, I would've chosen Section 8, which I kinda regret…. I've always wanted to move away from the neighborhood 'cause I've been over here so much."[3]

[3] In spite of these barriers to selecting a voucher—time, health, transportation—we found that those households using vouchers were more disadvantaged than other households at the start of the Transformation on a number of indicators, including lower household incomes, higher receipt of public assistance, and greater involvement in the child welfare and juvenile justice systems (see Brief 5, "Chicago's Public Housing Transformation: What Happened to the Residents" for more on differences between resident groups).

For respondents who chose not to return, almost half expressed not being fully informed. According to one:

> *We never have enough information…. When you ask your neighbors, if you ask five people, you'll get five different things. You've got to draw conclusions from there. [But] you want to hear from the reliable source.*

Confusion over the process and options available was not limited to this group, however, as some residents who returned to mixed-income developments admitted not knowing about other choices or feeling that someone else "picked this for me."

Some Residents Are Attracted By the Potential Benefits of Mixed-Income Developments

When relocated public housing residents discussed their reasons for moving into a mixed-income development, they focused on the benefits that they anticipate coming from new housing and other improvements to the neighborhood. Most believed that the presence of higher-income neighbors would contribute to these improvements in the environment but did not expect to form close relationships or benefit directly from interactions with higher-income residents.

Almost every respondent at Oakwood Shores and about half of the respondents at Westhaven Park and Jazz on the Boulevard mentioned the opportunity to live in new, well-designed, and well-maintained housing as a major attraction of the mixed-income developments. Residents who returned to these developments talked about the appeal of clean buildings, lower density compared to the old high-rise developments, and the overall attractiveness of the new development. As one Westhaven Park resident explained:

> *It was totally different, something that looked more like something where rich folks live there. That brought [it] to my attention, so I liked it and I love it now.*

Residents also discussed ways in which higher-income neighbors may contribute to further improvements in the environment, including bettering living conditions, attracting new businesses to the neighborhood, and promoting a higher standard of behavior. An Oakwood Shores resident stated:

> *If everybody is low income or no income, the only thing they're doing is just building new buildings—there's not gonna be much of a difference. But when you have people from the university and hospitals that are gonna be [living] there…my ideas of it was that things are gonna get better. So I figure with it being mixed-income, things will get better.*

Despite expectations from some policymakers about benefits that lower-income residents might gain from interacting directly with their higher-income neighbors—including access to job networks and other resources—only a handful of respondents who returned to mixed-income developments mentioned specific benefits they expected from living with a different mix of people. These residents talked more generally about looking forward to being around people of different races and backgrounds and what that could mean to them and their children but stopped short of expressing any expectation of forming more instrumental relationships with their new neighbors. As a Jazz on the Boulevard resident put it:

> *I wanted to be around different people, around other people…. You know, so I wanted to bring my kids up in a better environment. We lived there for like 37 years. It's time to make a change … like on my days off. Like everybody, they'd be going to work … [unlike in the old development where] some are just sitting at home, sitting outside all day. I don't want my kids—my daughter … to see that that was the right thing to do. I want to make it better for her.*

Anticipated Risks Keep Some from Returning

Residents who chose not to return to mixed-income developments, as well as some who did, talked about the anticipated challenges and trade-offs that might come with such a move. Their concerns centered on the new expectations for relocated public housing residents in mixed-income developments, as well as the changing populations in these areas.

About a third of respondents who returned to Oakwood Shores and Westhaven Park and a slightly larger group of respondents who chose not to return shared concerns about the new responsibilities and requirements for residents of mixed-income developments. Of particular concern was the fact that residents living in the new developments must pay their own utility bills, a major change from the traditional public housing developments. New rules and stricter monitoring in the mixed-income developments also caused worry for those weighing a move. A resident who chose not to return explained: "They have all these rules and regulations and stuff, so you're like on pins and needles with everything."

Residents also questioned promised changes to the population and social environments at the mixed-income developments. About half of respondents who chose not to return, as well as some who did return, expressed concern that the problematic behavior common in the old developments would continue in the mixed-income developments as relocated residents were moved back. A Westhaven Park resident explained:

> *I just didn't want it to turn out like what we just came from. I didn't wanna go back to that but just new buildings…. You got the same people, you're gonna have the same environment. And if they don't know how to change their whole attitude and their thought process and the way they are, personally—if they don't change themselves, then you're gonna have the same situation.*

Other residents worried that they might not be welcomed by their new, higher-income neighbors in the mixed-income developments or that differences in rent payments might create resentment and tension among groups.

Conclusions

We found that whether or not respondents chose to return to a mixed-income development, their decisions were influenced by some common factors, such as familiarity with place, social connections, and practical issues like access to transportation. They were also constrained in similar ways, by a sense of time pressure, a lack of reliable information, and personal health or family circumstances. A notable difference between those who chose to return and those who didn't was the higher level of concern expressed by non-returners about the downsides and pressures of moving to a mixed-income development, including the rules, monitoring, and risks of losing housing benefits if it did not work out.

Given that thousands more units reserved for relocated public housing residents are planned to be built in mixed-income developments in Chicago and across the country, it seems critically important to understand residents' decision-making and, for those who are eligible, find ways to support their consideration of a return to a mixed-income development. We suggest four possibilities:

Increase opportunities to remain in the area during redevelopment. Faced with the uncertainty of a complex relocation process, the residents we spoke with valued the opportunity to remain connected to familiar neighborhoods and close to personal support networks. For future redevelopment projects, allowing for more on-site relocation or the use of temporary vouchers in nearby housing may be key to preserving residents' ties to the area, ultimately resulting in more residents choosing to return to the new housing after redevelopment.

Utilize residents' personal networks in recruitment strategies. Several residents decided to return to a mixed-income development after a family member or friend first made the move. These connections could be used creatively to recruit new residents—for example, by incentivizing residents who have already returned to invite others to view the development or allowing more opportunities for current residents to speak about their experiences with potential returnees.

Advertise neighborhood improvement efforts. Anticipated changes to the broader neighborhood were highly appealing to residents who chose to return to a mixed-income development. Disseminating information about the types of social, economic, and physical improvement projects that are underway and planned for the broader neighborhood alongside development plans may attract more residents. Greater communication and engagement of relocated public housing residents in these planning efforts may also generate interest in returning.

Provide information and support to help overcome perceived risks. Increased financial responsibilities and a higher degree of monitoring in the mixed-income developments caused worry for some residents debating a return. When possible, financial management services, guidance on how to reduce utility bills, and early intervention with utility providers to arrange payment plans should be offered to potential residents. More information on green building practices and their impacts on utility costs should also be provided. In addition, the rules and expectations of the development should be clearly explained, including information about how and by whom rules are established, the consequences of violations, and the extent to which there is room for resident input in this process.

Key Questions for Policy and Practice

Given the challenges of attracting relocated public housing residents to return to new, mixed-income developments, there are a range of questions that could prove helpful to stimulating discussion and sharing ongoing implementation lessons among policy-makers, advocates, developers, property managers, service providers, residents, and other stakeholders.

1. Some relocated residents still have the opportunity to return to a mixed-income development but after several years in a different, perhaps distant, neighborhood. What can development teams, resident leaders, and those at the housing authority do to support and ease these transitions, which might include moves away from current jobs, children's schools, or important support networks?
2. What can be done in the future to ensure that relocated residents have sufficient time and information to make fully informed housing decisions? Have changes to relocation procedures since the start of the Transformation been successful in this respect?
3. What types of supports are currently offered to relocated residents that might address families' fears about the increased responsibilities, such as utility payments and stricter monitoring of behavior, at mixed-income developments? How effective are they? How can residents be informed of these new responsibilities and regulations, as well as the consequences for failing to meet them?
4. Now that units in mixed-income developments are being offered to families from the general public housing wait list that have no connections to the former developments, how are recruitment strategies changing? What are property managers and others at the developments doing to respond to this shift?

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