What Do We Know About Housing Choice Voucher Program Location Outcomes?  
A Review of Recent Literature

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Introduction: Why Neighborhood Matters

Over the past four decades, a wealth of multidisciplinary evidence has emerged to suggest that neighborhood environments shape individual outcomes. Kain (1968) and Wilson (1987) offer several theories for why and how living in a high-poverty neighborhood can be harmful. Ellen and Turner (1997), Briggs (1997), and Jencks and Meyer (2000) assess the empirical work on neighborhood effects and identify the major pathways through which neighborhoods may affect individuals. Broadly stated, distance from jobs, exposure to violence and crime, poor quality public services, negative peer influences and a dearth of positive role models in high-poverty neighborhoods may limit residents’ ability to achieve economic mobility. Experimental evidence from the Moving to Opportunity (MTO) demonstration program, while controversial, further suggests that neighborhoods affect physical and mental health for adults and youth (Ludwig et al. 2008). Communities of color are disproportionately exposed to high-poverty neighborhoods, and black households in particular tend to live in areas with limited opportunities for economic mobility compared with whites (Wilson 1987; Massey and Denton 1993; Jargowsky 1996, Kingsley, Johnson and Petit, 2003). Capturing the specific mechanisms or impacts of neighborhood conditions quantitatively continues to challenge researchers. But collectively, the literature suggests that neighborhoods matter in various ways for various people.

Tenant-based housing assistance was born in part from the idea that neighborhood conditions affect individual well-being and shape life chances. A goal of the Housing Choice Voucher (HCV) program is to avoid concentrations of poverty typical of some public housing projects, and to permit assisted households to gain access to a wider range of higher-quality neighborhoods than they would have reached without the voucher, or if they have been offered a place-based housing unit. A persistent concern for policymakers is whether voucher holders do in fact live in “good” or lower-poverty areas than they would have lived in without a voucher. This paper reviews the evidence on neighborhood location outcomes for voucher holders in metropolitan statistical areas (MSAs), where over three-quarters of all voucher holders live (Devine et al. 2003; Galvez forthcoming[a]). Included is a discussion of how outcomes are defined and how voucher holders’ location outcomes compare to threshold poverty-rate expectations, other poor households, and to assisted housing units. Also included is a review of the qualitative literature on location outcomes, which speaks to how voucher holders search for housing and make location decisions.

Defining Neighborhood Outcomes

Two sets of neighborhood outcome measures dominate the literature on HCV locations. The first set of measures addresses the distribution of voucher holders across neighborhoods, which are typically approximated by census tracts. The second focuses on average neighborhood quality for voucher holders, using census-tract characteristics.

The neighborhood distribution measures shed light on whether voucher holders are able to reach a wide range of neighborhoods within their metropolitan areas. If the voucher subsidy accurately reflects local housing costs, voucher holders should theoretically be found in

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1 See http://www.nber.org/mtopublic/ for a comprehensive database of MTO research.
nearly all neighborhoods (typically measured as census tracts) with rental housing available at or below fair-market rents (FMRs). Voucher holders would be widely and fairly evenly distributed as opposed to clustered into subsets of neighborhoods within metropolitan areas. The distribution of voucher holders across neighborhoods is most commonly measured as the share of all residential census tracts in a metropolitan area that contain at least one voucher resident, and average shares of total tract households that are voucher holders.

Neighborhood quality measures attempt to capture whether voucher holders live in neighborhoods that offer opportunities for economic mobility. Census tract poverty rates are the most common, if imperfect, indicator of overall neighborhood quality. One practical reason for the reliance on poverty rates is that they are readily available across time and geographies, and for multiple demographic groups. But neighborhood poverty rates—particularly at very high levels—are also believed to capture physical and socioeconomic indicators of distress. A single proxy for overall distress is useful because, as Ellen and Turner (1997) describe in detail, research has not identified which specific neighborhood characteristics may matter most, in what combinations, or for whom. For example, the neighborhood characteristics that matter most for young children are most likely different from those important to teens, adults, or the elderly. Poverty rates are assumed to capture any number of neighborhood characteristics that may be important to various individual or group outcomes.

Impacts of poverty rates are unlikely to be linear, and threshold measures, as opposed to comparative measures, are most common. Jargowsky (1996) uses 40 percent poverty as a threshold to identify neighborhoods as extremely high-poverty. With some exceptions (Cunningham et al. 2000), policy and researchers also accept the 40 percent poverty level as the point above which neighborhoods clearly lack access to opportunities. At the opposite end of the spectrum, a poverty rate below 10 percent is generally considered low. For example, the experimental group in the MTO evaluation was required to move to low-poverty neighborhoods with rates of 10 percent or less—which approximated the national poverty rate when the experiment was designed (Khadduri 2001). However, little is known about neighborhoods that fall between these two main threshold levels, often dubbed “moderate poverty” neighborhoods by researchers (Devine et al. 2003; Pendall 2000). As Khadduri (2001) describes in detail, most voucher holders, poor people, and assisted units are in moderately poor tracts, yet we have little sense of where these neighborhoods stand in relation to theoretical frameworks for how neighborhoods affect individual outcomes.

Using the poverty rate as the single measure of neighborhood quality can be limiting. A number of researchers go beyond poverty rates when examining neighborhood quality—most often turning to additional census or population-based measures, such as employment rates or public assistance receipt. To a lesser extent, some studies also include local characteristics, such as school quality or proximity to jobs. For example, Pendall (2000) adapts Kasarda’s (1993) neighborhood distress index to examine voucher holders’ neighborhood quality, which supplements poverty rates with public assistance receipt, the percentage of female-headed households, and male employment and education. Cunningham and Droesch (2005) combine census and local administrative data to examine
voucher holder locations in Chicago using public assistance receipt, crime rates, school achievement, the number of students receiving free lunch, and English as a second language class registrations as neighborhood quality indicators.

The most comprehensive attempt to capture voucher neighborhood quality is from researchers at the Kirwan Institute, who use a 22-measure “opportunity mapping” model to rank neighborhoods based on three main opportunity pathways: access to educational and economic opportunities, and neighborhood quality (Reece et al. 2010).² Their model draws on a combination of national, state, and local data, including proximity to jobs, exposure to environmental hazards, and school quality. In one instance where outcomes based on the opportunity model were compared to an income-only measure, very different pictures of neighborhood conditions emerged. The two models returned different assessments of neighborhood quality for over half (52 percent) of Baltimore neighborhoods, suggesting that income may not capture all of the factors important to individual well-being (powell 2005).

Section 1. The Distribution of Voucher Holders across Neighborhoods

Since the mid-1990s, when reliable voucher location data became available from the Department of Housing and Urban Development (HUD), a substantial literature has developed around location outcomes for voucher-assisted households. HOPE VI relocatees and Moving to Opportunity (MTO) participants figure prominently, along with standard voucher recipients who apply for vouchers through a local public housing authority (PHA).

Voucher Holders Live in Most MSA Neighborhoods

The research consistently finds that, on average, HCV households are widely distributed across neighborhoods within MSAs, and generally constitute small percentages of total residents in the neighborhoods they live in (Devine et al. 2003; Kingsley et al. 2003; Galvez forthcoming[a]). In 2000, voucher recipients were found in 83 percent of all census tracts in 50 large MSAs, and averaged only 2 percent of total neighborhood households (Devine et al. 2003). An analysis of voucher locations in 315 MSAs with at least 500 voucher households in 2004 found similar results: voucher holders lived in 86 percent of all census tracts within these MSAs, and in all but two MSAs, voucher holders were present in a majority of tracts (Galvez forthcoming[a]).³ Over 60 percent of voucher holders lived in neighborhoods where voucher residents made up less than 5 percent of total tract households (Galvez forthcoming[a]).

² Kirwan uses the following measures: reading proficiency scores; math proficiency scores, student poverty, teacher qualifications, teacher to student ratio, adult educational attainment, proximity to jobs, job growth, business creation, public assistance receipt, unemployment rate, mean commute time, crime rates, home ownership rate, vacancy rate, property appreciation, foreclosures, neighborhood poverty rates, proximity to toxic waste sites or Superfund sites, and proximity to park and open space. For a description of opportunity mapping research, see http://kirwaninstitute.org/research/opportunity-communitieshousing/index.php.

³ The 50 MSAs in Devine et al. (2003) contained nearly 50 percent of all voucher holders nationwide; the 315 MSAs in Galvez’s study represented all MSAs with at least 500 voucher households and contained approximately 80 percent of all tenant-based vouchers nationwide.
**Voucher Holders Are Not Evenly Distributed and Do Not Access All Available Housing**

Despite having some access to most MSA neighborhoods, voucher holders are not evenly distributed across neighborhoods. The Dissimilarity Index, a common measure of concentration in the urban segregation literature (Massey and Denton 1988), captures the extent to which minority and majority group members are evenly distributed across residential areas proportionate to their shares of the total population. Galvez (forthcoming[a]) finds that in 2004, the average MSA dissimilarity index for voucher holders compared with non-voucher holders was 0.47 for 315 MSAs nationwide—meaning that nearly half (47 percent) of all voucher holders in MSAs would need to redistribute to achieve a perfectly even distribution. Dissimilarity outcomes varied widely at the MSA-level, from 0.25 to 0.73.

Further evidence suggests that voucher holders are not accessing all of the affordable rental housing (defined as renting below the FMR) available in MSAs. Devine et al. (2003) found that FMR-affordable rental units were available in nearly all census tracts in the 50 largest MSAs, but the majority of these tracts housed less than half the number of voucher households than would be expected based on the availability of affordable rental housing. White voucher households were more likely than blacks to live in neighborhoods that were underrepresented with voucher holders. Over half of the neighborhoods underrepresented with voucher holders were located in the suburbs (Devine et al. 2003).

Cunningham and Droesch (2005) find similar results for the Chicago region. Three-quarters of Chicago area neighborhoods had FMR-affordable housing units, but approximately a third of those neighborhoods had no voucher residents. The Chicago neighborhoods without HCV households were predominantly white, with slightly lower vacancy rates and an older housing stock.

**Many Voucher Holders Remain Close to “Pre-Program” Housing**

Evidence suggests many voucher holders remain in or near the housing they lived in before they received a voucher. Some voucher holders are able to use the subsidy to “lease in place” and remain in their pre-program housing unit, so long as the unit meets federal Housing Quality Standards (HQS) and local PHA rent or jurisdiction requirements. Approximately 25 percent of voucher holders do not move during their tenure on the program (Feins and Patterson 2005; Finkel and Buron 2001). It is not clear, however, whether households who lease in place are following initial preferences, or if they would have preferred to move to new housing. Popkin and Cunningham (1999, 2000) note that leasing in place was common among successful voucher recipients in Chicago, and that some unsuccessful voucher recipients tried to lease in place but their landlords refused. Devine et al. (2003) find that among households receiving a voucher for the first time, movers and households that leased in place were equally likely to live in high-poverty neighborhoods.

HOPE VI relocatees are required to move to new housing, and do not have the option of leasing in place. Research suggests that HOPE VI moves tend to be short distances. Depending on the housing market characteristics of the areas surrounding original housing
projects, many relocatees remain close to their former public housing units (Kingsley et al. 2003; Smith et al. 2002; Buron et al. 2002). Buron and colleagues’ (2002) study of HOPE VI relocatees in eight cities found that more than half of the voucher movers remained within one mile of the original site.

Section 2. Neighborhood Poverty and Quality Outcomes

Threshold poverty rates are the most common indicator of overall neighborhood quality, with census tracts used to approximate neighborhoods. Researchers find that the typical voucher holder living in an MSA does not experience extremely high poverty rates. However, significant numbers of families remain in high-poverty neighborhoods, and nonwhite households experience higher poverty rates than white households.

Most Vouchers in “Moderate” Poverty Tracts but Many in High Poverty

The literature consistently finds that the typical voucher household experiences neighborhood poverty rates in the 20 percent range (Devine et al. 2003; Galvez forthcoming[a]). This is well below the 40 percent range generally recognized as harmful to individual outcomes. Only 10 of the 315 MSAs nationwide had average neighborhood poverty rates for voucher holders above 30 percent, and none had average neighborhood poverty rates above 35 percent (Galvez forthcoming[a]).

Nevertheless, a significant share of voucher holders lives in high-poverty neighborhoods. Nearly 10 percent of voucher recipients in the 50 largest MSAs lived in neighborhoods with poverty rates above 40 percent and approximately 22 percent lived in tracts with poverty rates above 30 percent (Devine et al. 2003). Central city households were more likely than suburban households to live in higher poverty neighborhoods: 30 percent of central-city voucher holders lived in neighborhoods with poverty rates above 30 percent, compared with just 5 percent of suburban voucher households. The share of voucher holders living in high-poverty neighborhoods decreased over time, with less than 20 percent in neighborhoods with rates over 30 percent, and 7.5 percent in neighborhoods with rates above 40 percent by 2004 (Galvez forthcoming[a]). These modest improvements are promising, but over 116,000 voucher households remained in extremely high-poverty neighborhoods as of 2004.

Voucher Holders Live in Slightly Lower Poverty Rate Tracts than Poor MSA Residents

On average nationally, voucher holders experience poverty rates a few percentage points lower than the typical poor person living in an MSA, but within the same moderate poverty range. The average neighborhood poverty rate for voucher holders in 2004 was 19.5 percent, compared with 22 percent for poor MSA residents (Galvez forthcoming[a]). Devine et al. (2003) similarly find that voucher holders were only slightly less likely to live in high poverty neighborhoods than tenants in unassisted housing with below–fair market rents. However, the average neighborhood poverty rate for voucher holders in 2004 was higher than the average for the typical poor white household (15 percent).
**Similar Results for Neighborhood Quality**

Studies that supplement neighborhood poverty rates with other neighborhood quality measures similarly find that most voucher households live in neighborhoods similar to the norm for their MSAs, but significant numbers live in distressed or low-quality tracts. For example, Pendall (2000) finds that approximately 17 percent of voucher households lived in distressed tracts, based on a five-measure neighborhood quality index. Tracts were identified as “distressed” if they fell at least one standard deviation from the mean for their respective MSAs on three or more of the five index measures. Galvez (forthcoming[a]) builds on Pendall’s measure and finds that over a third (35 percent) of MSA voucher holders in 2004 lived in tracts comparable to the mean for their MSA on all five neighborhood quality measures, but 16 percent of voucher holders (over 250,000 households) lived in the most distressed tracts in their MSAs.4

The voucher program has had less success at facilitating racial integration for voucher holders. Average neighborhood minority population share was nearly identical for voucher households compared with poor MSA residents (approximately 51 percent) in 315 MSAs nationwide in 2004 (Galvez forthcoming[a]). In Chicago, nearly two-thirds of voucher holders lived in neighborhoods that were at least 90 percent black (Cunningham and Droesch 2005).

**Racial Disparities Persist**

When disaggregated by race, disparities in location outcomes are pronounced, with black and Hispanic households more likely than whites to experience higher neighborhood poverty rates and less likely to live in low-poverty tracts (Devine et al. 2003; Galvez forthcoming[a]; Hartung and Henig 1997; Pendall 2000). As of 2004, black and white households each accounted for approximately 48 percent of all MSA voucher holders, 16 percent of all voucher households were Hispanic (of any race), and 3 percent were Asian (Galvez forthcoming[a]).

Over 25 percent of black and Hispanic HCV households in the 50 largest MSAs lived in tracts with poverty rates over 30 percent in 2000, compared with just 8 percent of white households (Devine et al. 2003). Black and Hispanic households were also found in low-poverty tracts (below 10 percent) at less than half the rate of white households. Hartung and Henig’s (1997) study of the Washington, D.C., area and Pendall’s (2000) cross-city analysis identify similar racial disparities. Predominantly black census tracts had more than six times as many voucher households as predominantly white tracts (Hartung and Henig 1997), and nonwhites in MSAs were more likely to live in distressed neighborhoods than white voucher holders (Pendall 2000). Feins and Patterson (2005), however, find that minority households

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4 Pendall’s neighborhood quality index was originally developed by Kasarda (1993) and includes 1990 Census tract poverty rates, share of those receiving public assistance, percentage of males age 16 and over who worked fewer than 27 weeks in 1989, share of families with children headed by a female age 18 or under, and share age 16 to 19 who are not in school and lack a high school degree. Galvez includes Census 2000 tract poverty rates and shares of female-headed households, minorities, those without a high school degree or GED, and those with at least some college.
experienced larger improvements in neighborhood quality—measured as poverty rates and the owner-occupied share of tract housing—from voucher moves than white households.

Galvez (forthcoming[a]) finds that compared with whites, black voucher households lived in fewer neighborhoods, and in neighborhoods with larger voucher populations. Black households also experienced both higher average neighborhood poverty rates and lived in more distressed neighborhoods compared with white voucher holders. Average neighborhood poverty rates were higher for black HCV households than for white HCV households in 85 percent of 315 MSAs nationwide. In nearly 40 percent of MSAs, average neighborhood poverty rates were at least 5 percentage points higher for black voucher holders than for whites.

A portion of the differences in outcomes for black voucher holders compared with whites may be due to differences in urban/suburban locations by race for both assisted and poor households generally. White households are more likely than blacks to live in suburban areas, which have lower average poverty rates than central-city neighborhoods (Devine et al. 2003; Galvez forthcoming[a]). The fact that white voucher holders are more likely to live in suburbs may reflect pre-voucher location patterns, different preferences for suburban locations, or discrimination in the market. For example, if voucher holders tend to lease in place or make short-distance moves, it may be that more whites lived in lower-poverty suburban areas before they received a voucher and remained there after they joined the program. Or, nonwhite households in central-city neighborhoods may be hesitant to leave social and family networks for unfamiliar suburban areas (Cunningham and Droesch 2005; Popkin and Cunningham 2000). Discussed in more detail below, Chicago voucher households expressed concerns that suburbs were unsafe or unwelcoming (Popkin and Cunningham 2000). Finally, actual and perceived discrimination likely plays a role in suburban/urban distributions. Landlords in predominantly white suburban areas may be less familiar with the voucher program or view vouchers as a proxy for race and avoid voucher tenants. Or, nonwhite voucher holders may avoid low-poverty suburbs because they assume landlords or neighborhood residents will react negatively to voucher holders or nonwhite neighbors.

Evidence of Gains for Black Voucher Households, but Disadvantages for Whites
For the most part, the racial disparities in voucher-holder neighborhood poverty rates mirror those of poor MSA residents generally (Galvez forthcoming[a]). Poor black MSA residents had the highest average neighborhood poverty rates in 2000 (28 percent), followed by Hispanics (22 percent) and poor whites (15 percent). However, as of 2004, black voucher households lived in lower poverty-rate neighborhoods than similarly poor black MSA residents: the average neighborhood poverty rate for black voucher holders in MSAs was 22 percent, compared with 28 percent for poor blacks. The average poverty rate for black voucher holders remained higher than that for white voucher households (17 percent) or poor whites generally (15 percent), but in keeping with the average for all poor MSA residents (22 percent). This suggests that the voucher may allow black households to access lower-poverty neighborhoods than they would have without the voucher.
However, results are the opposite for white voucher holders: the typical white voucher household lived in a tract with poverty rates slightly higher than the average for poor white MSA residents. Further research is needed to understand what may be driving these outcomes, and if differences truly represent gains or declines as opposed to differences in household characteristics or pre-voucher locations for voucher holders compared with the typical poor MSA resident.

**Section 3. Comparisons to Place-Based Programs**

An important comparison point for voucher holders is assisted tenants living in place-based housing. Researchers have compared the neighborhood locations of voucher holders to those of public housing and Low-Income Housing Tax Credit (LIHTC) residents. However, almost no research compares tenant-based voucher locations with those of project-based units.

**Voucher Holders in Lower Poverty Tracts Compared with Public Housing**

Tenant-based assistance developed as a direct response to the concentrated poverty and social isolation typical of many public housing neighborhoods. By design, the HCV program offers more neighborhood and housing options than the public housing program. Research consistently finds that tenant-based voucher holders live in more, and lower-poverty, neighborhoods than public housing residents (Goering, Stebbins and Siewart 1995; Cunningham and Droesch 2005; Hartung and Henig 1997; Kingsley et al. 2003; Pendall 2000; Devine et al. 2003). Public housing was in just 8 percent of neighborhoods in 2000, compared with 83 percent for voucher holders, and fewer than 10 percent of voucher holders lived in high-poverty tracts, compared with nearly half of all public housing units and over a quarter of all project-based units (Devine et al. 2003).

A study of voucher locations versus public housing locations in King County, Washington, however, showed different results. Using the opportunity mapping model as opposed to poverty rate measures, Reece et al. (2010) found that in 2008 a larger share of public housing units were in high-opportunity neighborhoods compared with voucher holders (21 percent of public housing units, compared with 14 percent of voucher holders). The majority of both groups were found in low opportunity areas (57 percent of units compared with 73 percent of vouchers). The report did not include actual counts of units or vouchers, or discuss how opportunity structures compared with outcomes nationally or in other MSAs. Nevertheless, the study suggests that a more nuanced assessment of neighborhood quality may be needed to understand voucher locations compared with project-based unit locations.

**Outcomes Similar for HCV and LIHTC, but LIHTC in Low-Poverty Suburbs**

On average, LIHTC unit residents and voucher households experience comparable neighborhood poverty rates (McClure 2006; Ellen, O'Regan and Voicu 2009; Galvez forthcoming[a]). The typical LIHTC unit was in a tract with a 20 percent poverty rate as of 2004, which was nearly identical to average neighborhood poverty rate for HCV households, and average neighborhood quality was identical for LIHTC units and HCV households based on a five-measure distress index (Galvez forthcoming[a]).
As with public housing, LIHTC units are in fewer neighborhoods than voucher holders. In 2003, voucher households in MSAs lived in 86 percent of all MSA census tracts, compared with 22 percent of all census tracts for LIHTC projects (Galvez forthcoming[a]). This is to be expected based on the different natures and sizes of the programs. However, evidence suggests that the LIHTC program offers more opportunities for low-income households to enter low-poverty neighborhoods than the HCV program—particularly in suburban areas (Ellen, O’Regan and Voicu 2009; McClure 2006).

Compared with voucher locations, a larger share of LIHTC units were developed in neighborhoods with poverty rates at the lowest ends of the poverty rate range. Ellen et al. (2007) find that about a third of all LIHTC units were developed in tracts with poverty rates below 10 percent. In comparison, approximately a quarter of HCV households lived in low-poverty tracts in 2004 (Galvez forthcoming[a]). LIHTC units were also slightly more likely to be found in the highest-poverty tracts compared to voucher households: 10 percent of all LIHTC units were in tracts with poverty rates above 40 percent, compared with 7.5 percent of voucher holders (Galvez forthcoming[a]).

The LIHTC program’s larger presence in low-poverty neighborhoods is likely a reflection of the program’s particular success reaching low-poverty suburbs. As of 2002, a larger share of LIHTC units were developed in suburban areas compared with voucher household locations, and half of all suburban LIHTC units were built in low-poverty tracts (McClure 2006).

Section 4. Housing Decisions and the Search Process

Voucher holders find housing on the private market, and location outcomes reflect diverse preferences and the decisions voucher households make. A challenge for researchers is to understand the search process and how housing decisions are made, in order to reveal the extent to which location patterns may reflect household preferences as opposed to constraints on housing choices.

The qualitative research described below is primarily exploratory, and examines how voucher holders experience and navigate the process of finding housing with a voucher. As with the location outcomes research discussed above, the research includes MTO participants and HOPE VI relocatees moving from low-income public housing, in addition to conventional voucher holders. Evidence suggests that people relocating from public housing are more needy and less equipped to succeed in the private market than other voucher holders (Popkin and Cunningham 2000; Briggs and Jacob 2002; Manjarrez, Popkin, and Guernsey 2007). For example, families forced to move from Chicago public housing projects slated for demolition were commonly overwhelmed by the prospect of moving, less likely to be employed, less educated, and more likely to be traumatized by experiences with crime in their former projects than Chicago voucher recipients who applied for the program through the Chicago Housing Authority (Popkin and Cunningham 2000). HOPE VI participants, in particular, are in worse health than other low-income families when they are issued a voucher, and their health remains an obstacle to self-sufficiency for years after they move (Manjarrez et al. 2007). In addition, public housing tenants do not have to pay utilities,
which may leave them unprepared to manage monthly expenses when they enter the private 
housing market (Briggs and Jacob 2002). Offsetting these challenges, HOPE VI and MTO 
movers generally have help with housing searches and moving costs, though the quality and 
scope of relocation assistance varies by HOPE VI site (Popkin et al. 2004b).

The research discussed below suggests that, for the most part, the basic process or steps 
for finding housing and making neighborhood decisions is similar for all three groups. 
However, more research is needed to understand whether preferences, perceptions of 
options, resources, or challenges for MTO and HOPE VI movers differ from those of standard 
voucher holders.

Considered together, the research suggests that the search process can be organized into 
four stages. First, voucher participants must establish their move preferences and criteria, 
including the type of housing and neighborhood they would like to live in, and whether they 
prefer to move or lease in place if possible. Second, they must decide how and where to 
search, and what resources to devote to searching. Third, voucher recipients must navigate 
the actual search process, which can be discouraging, expensive, and require re-evaluating 
initial goals. Finally, voucher households must decide to move into a particular unit. These 
stages and decisions may overlap and involve trade-offs. Each stage may be influenced by 
subjective factors, such as social networks and place attachments, as well as objective 
factors, such as household, housing market, and HCV program requirements. The next 
sections discuss the literature within the context of these stages. A brief discussion follows 
of the literature on the role of discrimination on location outcomes.

Move Preferences
The literature consistently finds that voucher recipients want “good” or “quiet” 
neighborhoods that are safe and offer amenities and high quality services (Smith et al. 
2002; Popkin and Cunningham 2000; Clampet-Lundquist 2004). However, for some 
participants, these broad goals appear to conflict with the desire to be close to friends and 
family, and may be tempered by misinformation about low-poverty neighborhoods. In an 
extreme example, some participants in Popkin and Cunningham’s (2000) study believed 
suburbs were prone to natural disasters, and were suspicious that the voucher program was 
part of a larger conspiracy to push blacks out of the city and into undesirable areas. Many 
also believed that the voucher program as a whole would end at some point.

A study of 41 families moving from a HOPE VI project found similar results (Clampet-
Lundquist 2004). The families who opted to use Section 8 vouchers expressed a desire to 
be out of public housing and on quiet blocks that were safe for their children, but also stated 
that they were unfamiliar with the suburbs or low-poverty neighborhoods, wanted to stay 
close to family and amenities in the city, and were concerned about the availability of public 
transportation in distant neighborhoods. In the end, none moved to suburban 
neighborhoods and few even considered moving to middle-class urban neighborhoods.

Smith and colleagues’ (2002) study of HOPE VI relocatees in Baltimore, San Antonio, 
Louisville, and Seattle found that households hoped to move to neighborhoods that were 
safe, had good schools, and were convenient to shopping or transportation, but these
preferences were often secondary to concerns about the housing units themselves. Finding a unit that was the right size and cost tended to take priority over neighborhood concerns. This may be particularly pressing for families who need larger units. There is some evidence to show that larger units may be harder to find, or larger households may face additional challenges in the housing market. Households who needed larger units are less likely to successfully find housing (Kennedy and Finkel 1994; Finkel and Buron 2001). There may be fewer large, FMR-affordable units in low-poverty areas.

For public housing movers in particular, utility payments may affect preferences for private market housing. Public housing tenants do not typically pay for utilities, and Briggs and Jacob (2002) find that concerns about both utility costs and security deposits dissuade public housing residents from opting to move to private market housing. Popkin and Cunningham (2000) similarly found that voucher recipients prioritized finding housing that included utilities in the monthly rent payments, which may have narrowed the pool of housing options.

Search Strategies
Search strategies include the sources of information that voucher recipients seek out, perceptions of the pool of desirable and accessible neighborhoods, and the intensity of searches. Both the Smith et al. (2002) and the Popkin and Cunningham (1999, 2000) studies touch on search strategies and find that HCV households use a range of information sources, including social networks, newspapers, and canvassing neighborhoods. The most commonly cited resource was the list of housing leads provided by the PHA that issued the voucher. These lists may push voucher households into the same subsets of neighborhoods, and indeed may have led multiple voucher families to compete for the same of housing units. Smith et al. (2002) note that voucher recipients did not commonly include neighborhood characteristics in their search strategies, and more often followed up on any leads for units that met basic size or cost criteria.

Both the Smith and colleagues and the Popkin and Cunningham studies suggest that search strategies and the intensity of searches often hinged on household characteristics, including the voucher recipient’s ability to pay for transportation, child care needs, or work responsibilities. Popkin and Cunningham (2000) note that the intensity of searches varied widely, with some families visiting dozens of housing units and others pursuing only a few. Kennedy and Finke’s (1994) survey of a random sample of HCV participants and landlords nationwide found that voucher recipients did not necessarily target housing that matched voucher criteria. Voucher holders are required to move into units that meet rent and size parameters set by local housing authorities, but survey respondents qualified for only one out of nine housing units they visited—meaning they visited units that were more expensive or larger than their PHA would allow.

Kennedy and Finkel (1994) also found that most successful households approached and ultimately rented from landlords who already rented to voucher holders. The fact that so many voucher holders rent from landlords already familiar with the program supports assertions that voucher holders rely on a “Section 8 submarket” that is highly unstable and includes only a portion of the total FMR-affordable housing stock. In tight housing markets,
the voucher submarket may be limited because landlords have little trouble filling vacancies and few incentives to accept voucher tenants. Landlords may also perceive disincentives to accepting vouchers, particularly if local PHAs are prone to bureaucracy and delays. Kennedy and Finkel (1994) found that even landlords with voucher tenants commonly made only a portion of their units available to voucher holders. Voucher holders may also target landlords already familiar with the program to speed searches, avoid real or perceived discrimination, or perhaps simply because they have little experience with searching for market-rate housing.

**The Search Experience**

The search experience receives the most attention in the literature. The research consistently finds that voucher recipients are discouraged and daunted by the housing search process, and have difficulty finding housing.

Even among households with specific neighborhood preferences or characteristics in mind, households felt that program meeting requirements and search constraints were more pressing concerns (Smith et al. 2002). For example, the need to find an available unit within the 60 to 120 day time limit imposed by PHAs was challenging, especially for families with child care or transportation needs. Even though PHAs were often willing to extend search times for those who needed it, households were keenly aware of the passage of time and felt that it would eventually run out (Smith et al. 2002). Tight housing markets, misinformation about the voucher program, and a lack of information about neighborhood options seemed to compound the sense of urgency.

Finkel and Buron’s (2001) success rate study confirms that the average search is lengthy. The national average search time for successful households (from first receiving a voucher to signing a lease) was 83 days in 2000, with nearly a quarter of households taking more than 120 days to lease up. Actual searches as opposed to administrative requirements, such as unit inspections, accounted for the majority of the time needed to lease up. It may be that lengthy searches lead some households to compromise on neighborhood or housing preferences, while others failed to lease up because they could not find suitable housing within program time constraints.

In addition to time pressures, voucher recipients reported many challenges with the housing search itself. Many landlords refused to accept vouchers or families with young children, and discrimination was a common concern (Smith et al. 2001; Popkin and Cunningham 1999, 2000). Voucher recipients were also confused about program rules and unfamiliar with low-poverty and suburban neighborhoods (Popkin and Cunningham 2000; Clampet-Lundquist 2004b). Search costs were another challenge. Interestingly, the Chicago focus group participants did not have trouble finding housing available at voucher rent limits, but found credit checks, security deposits, transportation, and moving costs to be prohibitively expensive. Few understood the housing authority’s complicated rent calculations (Popkin and Cunningham 2000). In the end, many voucher recipients were confused or had false information about housing authority rules, and felt isolated and rushed during the search process. This may be exacerbated if, as Kennedy and Finkel (1994) suggest, voucher recipients are not targeting units their voucher qualifies them for.
Final Housing Outcomes

The literature has not yet developed a clear picture of how preferences and search decisions link to move outcomes, the extent to which voucher holders may be satisfied with post-voucher neighborhoods, or the types of services that may facilitate moves. Research suggests that some households ultimately remain close to original pre-voucher housing in poor neighborhoods, through a combination of family or social attachments, limited information about alternative options, negative perceptions of alternatives, or the challenges of the search process. Others may compromise on preferences and choose housing that does not meet initial goals because they feel their options are limited, or because they do not engage in searches likely to meet goals.

In the Philadelphia study, for example, HOPE VI relocatees who moved using vouchers remained an average of 1.8 miles from their original housing project. The author notes that housing counselors working with the Philadelphia families were familiar with neighborhoods close to the original housing project site, which probably influenced outcomes. But the families also indicated that they wanted to remain close to family and friends. The tendency to remain close to original public housing developments is common for HOPE VI relocatees (Popkin et al. 2004a; Finkel and Buron 2001; Turner, Popkin, and Cunningham 1999). Varady and Walker (2000) found that HOPE VI relocatees who used vouchers and moved close to their original public housing projects were more satisfied than those who moved farther away.

However, many movers in Popkin and Cunningham’s (2000) study, which included both public housing relocatees and households receiving vouchers from the standard waitlist, reported that they were unsatisfied with their new housing, or that their new neighborhoods were only marginally better than their pre-voucher neighborhoods. After multiple, expensive, failed application attempts and difficulty finding landlords willing to accept vouchers, HCV recipients may be settling for housing that does not meet initial goals.

While not fully addressed in the research, some voucher recipients may forgo the voucher altogether in the face of search challenges. Finkel and Buron (2001) found that success rates did not vary significantly by race, ethnicity, or gender, but were significantly higher for lower-income families compared with those with higher incomes. One interpretation of these results is that lower income families may be more willing to compromise on housing goals and more motivated to work through challenging searches to use the voucher, while higher income families whose subsidies are lower may find the program constraining and not worth pursuing.

More research is needed that examines whether voucher holders are satisfied with move outcomes or view voucher moves as an opportunity for neighborhood mobility.

Discrimination Perceived, but Difficult to Quantify

Racial and source-of-income discrimination against voucher recipients are common themes in the qualitative literature. Estimating how frequently landlords discriminate against voucher holders, or the impact of discrimination on outcomes, is difficult because matched-
pair studies involving voucher holders are scarce. A small matched-pair study conducted in Newton, Massachusetts, found that two of six real estate agencies showed evidence of discrimination against Section 8 voucher holders (FHCGB 2006). But a large-scale study has not yet been done.

Voucher recipients, however, commonly report encountering landlords who simply refuse to rent to voucher recipients (Smith et al. 2002; Popkin and Cunningham 1999, 2000; Galvez forthcoming[b]). In most places, landlords are legally permitted to do so (PRRAC 2010). Voucher recipients report that landlords seemed reluctant to rent to people who provided a public housing address on their rental application, had negative perceptions of Section 8 tenants or the program, or felt that the program itself was poorly run (Popkin and Cunningham 1999; Smith et al. 2002). Voucher holders in Seattle reported similar encounters with landlords (Galvez forthcoming[b]). Both Chicago and Seattle have local laws prohibiting landlords from refusing to rent to voucher tenants purely because of their source of income, but discrimination appears to persist despite the legal protections (Popkin and Cunningham 2000; Galvez forthcoming[b]). The most persuasive evidence that source-of-income antidiscrimination laws may improve outcomes for voucher holders comes from Finkel and Buron (1994), who found that success rates were higher for voucher holders in jurisdictions with such laws in place.

Racial and source-of-income discrimination are often assumed to be linked and are difficult to quantify. Voucher holders tend to be disproportionately minority compared with the general populations of the MSAs they live in, and landlords may view the voucher as a proxy for race and deny voucher applicants to avoid nonwhite tenants. However, no research has examined the relationship between voucher discrimination and racial discrimination.

Participants in the Popkin and Cunningham (2000) study clearly perceived racial discrimination to be a problem or were concerned that they would encounter it from landlords and potential neighbors in new neighborhoods. Some participants reported encountering landlords they felt were initially cooperative during phone conversations but then turned them away after discovering they had children, wanted to use a voucher, or were black. Others stated that they avoided searching in neighborhoods where they thought black people would be unwelcome. Because these studies rely on voucher holders’ perceptions of possible incidents of racial and source-of-income discrimination, it is difficult to understand the extent to which discrimination occurred.

There is evidence that racial discrimination persists in the larger housing market. Turner and Ross’s (2005) analysis of results from the 2000 matched-pair Housing Discrimination Study (HDS) found that the overall incidence of discrimination has decreased since 1989, but that discrimination against black and Hispanic households is still a problem nationwide. Recent evidence on mortgage lending patterns similarly shows that blacks and Hispanics were more likely than whites or Asians with similar financial backgrounds to receive subprime home loans (Avery et al. 2007). Further research is needed to understand whether and how racial discrimination may play out in the voucher housing market or affect location outcomes.
Conclusions and Directions for Future Research

The research on HCV location outcomes tells a generally positive story, with some troubling nuances. On average, voucher holders live in most MSA neighborhoods, and do not typically live in neighborhoods with very high poverty rates. However, disparities by race persist, and the program appears less effective than the LIHTC program in allowing poor people to reach low-poverty suburban neighborhoods. Apparent benefits to black voucher households are coupled with apparent disadvantages for white voucher households.

The qualitative evidence points to a wide variety of personal, program, housing market, and financial issues that may affect location outcomes, and suggests that many voucher holders may be ill-prepared for the housing search process. Presently, there are few resources to help PHAs design effective mobility services, or identify the points in the housing search process when counseling or other support might be most effective. The diversity of household needs and preferences may be overwhelming for local program administrators, who have limited capacity to address each voucher holder’s case individually. More work is needed to create theory- and evidence-based housing counseling models that PHAs can adapt to local contexts. This review reveals several gaps in our knowledge of voucher program outcomes that merit further research and could help inform counseling or mobility program design.

First, most voucher holders, LIHTC tenants, and poor people in MSAs live in neighborhoods with poverty rates in the moderate range (10 to 30 percent), yet we know little about the quality of life in these neighborhoods. Researchers and policymakers need to know more about moderate-poverty neighborhoods, and the extent to which they are consistent with Ellen and Turner’s (1997) framework for “good” neighborhoods. This includes research using more detailed neighborhood characteristics that directly speak to the concepts the poverty rate measure intends to capture.

Second, disparities in outcomes by race require more attention. Black households live in fewer, and higher-poverty neighborhoods than white voucher households—but also appear to benefit more from the voucher than white households. Further research is needed to identify ways to facilitate mobility for nonwhite households, and to understand possible advantages or disadvantages of the voucher program for black and white households.

Third, comparisons between the LIHTC and HCV programs do not take into account the possible relationships between the two programs. Evidence suggests that voucher holders often rent LIHTC units (GAO 1997), but little information exists about LIHTC tenants and no data are publicly available. Particularly in light of evidence that the LIHTC program is better able to reach low-poverty suburbs than voucher holders, more information is needed about the population served by LIHTC units. If HCV participants—particularly nonwhite households—are able to access LIHTC units in low-poverty suburbs, the LIHTC program may act as a foothold for voucher holders in these neighborhoods.

Similarly, we know very little about the neighborhood locations of households participating in the Project-based Voucher (PBV) program. Some PHAs may use the project-based program as an opportunity to reach neighborhoods underrepresented by tenant-based vouchers. Or,
PBV units may serve populations unlikely to successfully lease up with a tenant-based voucher or reach low-poverty neighborhoods. More research is needed that directly examines the PBV population and outcomes, particularly in comparison to tenant-based vouchers.

With regard to the household-level experience with voucher moves, we still struggle to understand how voucher holders decide where to live, and the common challenges to neighborhood mobility. MTO and HOPE VI relocatees tend to dominate the qualitative literature, but represent a small segment of total HCV program moves. Researchers and policymakers need more information about how the typical household who receives a voucher from a local PHA waitlist may approach the housing search process. For example, “shadowing” voucher holders as they search for housing could help document how they find available units, interact with landlords, pay search costs, and decide which units to apply for or accept.

Finally, little research documents the extent of source-of-income or racial discrimination against voucher holders, or how discrimination may shape voucher outcomes. More research, including matched-pair testing, is needed to understand the scale of the problem, whether it is particularly pronounced among minority households, and whether source-of-income antidiscrimination protections are sufficient to address it.

References


FHCGB. See Fair Housing Center of Greater Boston.


PRRAC. See Poverty and Race Research Action Council.


