Families in Subsidized Rental Units Rarely Live in Low-Poverty Neighborhoods

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Fifteen percent of households with children that received tenant-based vouchers lived in low-poverty neighborhoods, compared with only **11 percent of households living in project-based voucher (PBV) units** and **4 percent of households living in public housing**.

Research shows that children in families that use rental subsidies to move from high- to low-poverty neighborhoods **attend college at higher rates, earn higher incomes, and are less likely to become single parents.**

The **King County Housing Authority** supports more PBV households with children in low-poverty areas than any other public housing agency.

The **Housing Commission of Anne Arundel County** in Maryland supports more households with children in public housing in low-poverty neighborhoods than any other public housing agency.

When families with young children use rental subsidies to move from high- to low-poverty neighborhoods, their kids eventually attend college at higher rates, earn higher incomes, and are less likely to become single parents (Chetty, Hendren, and Katz 2016).

But using a voucher to move into a low-poverty neighborhood can be challenging. Available subsidies may be inadequate to cover rent in these neighborhoods, and landlord discrimination against voucher holders is likely widespread (Cunningham et al. 2018; Aliprantis, Martin, and Phillips 2019).

The Housing Choice Voucher program is the US federal government's primary tool to offset housing costs for families with low incomes. Currently, the program serves more than 5 million people in 2.3 million households. These households can choose any housing unit that meets the program's requirements.

POLICIES AND PROGRAMS CAN ENSURE THAT FAMILIES WITH LOW INCOMES HAVE ACCESS TO LOW-POVERTY NEIGHBORHOODS

This fact sheet focuses on three programs that directly provide subsidies to low-income families to understand their role in providing housing opportunities in low-poverty neighborhoods. The programs are project-based vouchers (PBVs) funded through the Housing Choice Voucher program, public housing, and Section 8 project-based rental assistance (PBRA). We compare each program with tenant-based Housing Choice Vouchers.

HOW COMMON ARE LOW-POVERTY NEIGHBORHOODS IN THE US?

Our analysis defines low-poverty neighborhoods as census tracts with a poverty rate of less than 10 percent, according to 2013–17 American Community Survey five-year estimates. Using this definition, more than 1 in 3 census tracts (about 24,500 tracts) and almost 1 in 2 households (about 60 million households) in the United States are located in low-poverty neighborhoods.

FEW SUBSIDIZED RENTAL UNITS ARE IN LOW-POVERTY NEIGHBORHOODS

Using administrative data from the US Department of Housing and Urban Development (HUD), we examined the locations of households receiving rental assistance through public housing agencies in 2017.

- Of the nearly 1 million households in public housing we studied, just 6 percent lived in low-poverty neighborhoods.
- Among families with children, only 4 percent lived in low-poverty neighborhoods.

Housing agencies also use PBVs to subsidize physical units within the Housing Choice Voucher program.

- Only 14 percent of the 163,414 households in PBV units we studied lived in low-poverty neighborhoods.
- Among families with children, 11 percent lived in low-poverty neighborhoods.

HUD also directly subsidizes rental units through its PBRA program. Through PBRA, HUD assists more than 1.2 million low-income households through contracts with private (for-profit and nonprofit) housing providers.

- Using publicly available data for 2020, we estimate that PBRA housed 186,418 households in low-poverty neighborhoods.
- Among households with children, 28,870 (8 percent) were in low-poverty neighborhoods.

As a point of comparison, tenant-based vouchers assist about 2 million households.

- Fifteen percent of these households lived in low-poverty neighborhoods.
- Similarly, 15 percent of households with children that received tenant-based vouchers lived in low-poverty neighborhoods.

FIGURE 1
Percentage of Households with Children in Low-Poverty Neighborhoods
By type of assistance
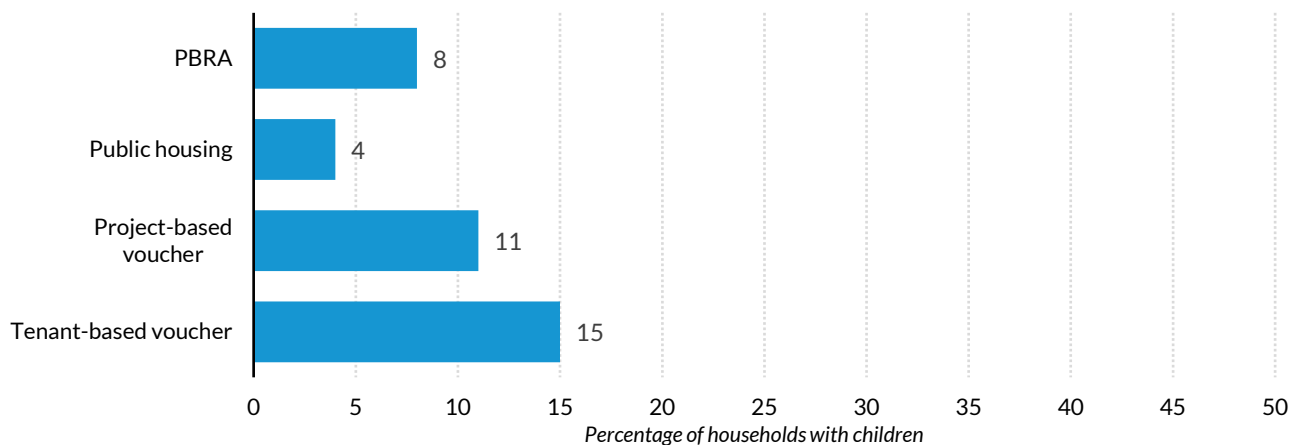
Percentage of households with children

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Source: Urban Institute analysis of 2017 HUD Office of Public and Indian Housing Information Center data and 2013–17 American Community Survey five-year estimates.
Notes: PBRA = Section 8 project-based rental assistance. Low-poverty neighborhoods are census tracts with poverty rates of less than 10 percent. Our analysis uses tract boundaries from the 2000 Decennial Census.
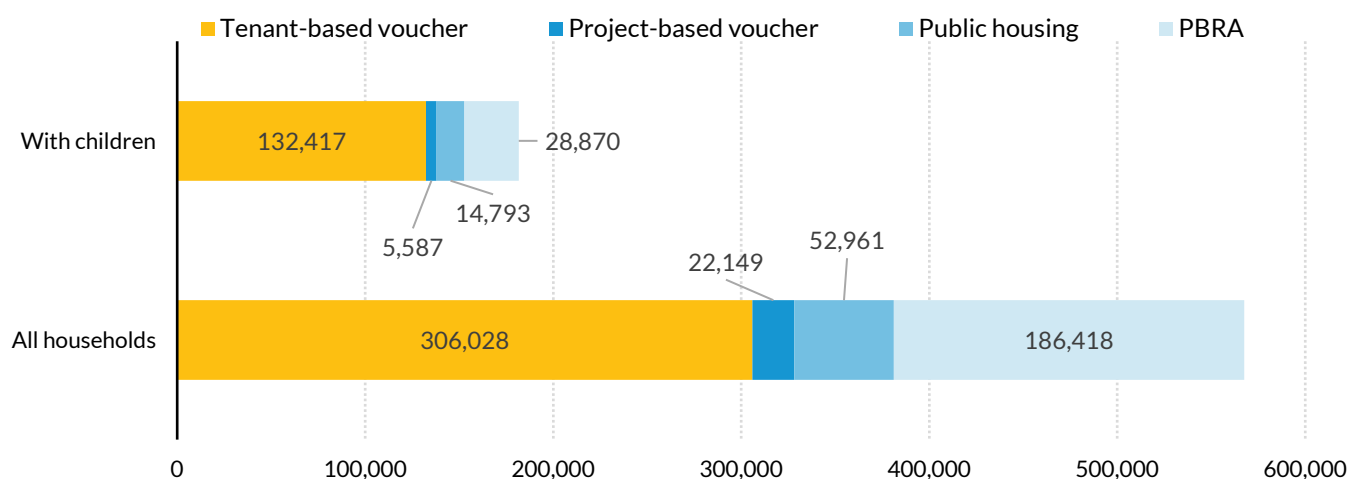
Far fewer households live in PBV developments than in public housing or PBRA developments. So, while the PBV program has the largest share of households in low-poverty neighborhoods, far fewer households live in PBV–subsidized units in low-poverty neighborhoods than in public housing or PBRA developments in low-poverty neighborhoods.

An important caveat is that HUD's Rental Assistance Demonstration program is converting increasing numbers of public housing units to PBV and PBRA units. Since these data were collected, the number of households in public housing has declined, and the number of PBV and PBRA households is rising. At the same time, since only 4 percent of public housing households with children are in low-poverty neighborhoods, the share of households in low-poverty neighborhoods with PBVs or in the PBRA program may fall.

Assisted Households in Subsidized Rental Units in Low-Poverty Neighborhoods
By presence of children and assistance type

Sources: Urban Institute analysis of 2017 HUD Office of Public and Indian Housing Information Center data, 2013–17 American Community Survey five-year estimates, and 2018 HUD Affirmatively Furthering Fair Housing data.
Notes: PBRA = Section 8 project-based rental assistance. Low-poverty neighborhoods are census tracts with poverty rates of less than 10 percent. Our analysis uses tract boundaries from the 2000 Decennial Census.

COMMUNITIES WITH MORE SUBSIDIZED UNITS IN LOW-POVERTY NEIGHBORHOODS

Our research also identified public housing agencies that support many physical units in low-poverty neighborhoods. There are only a few tracts across the country with more than a few dozen subsidized units in low-poverty neighborhoods. These agencies help demonstrate what it takes to develop or maintain these properties and what it would take to expand access to low-poverty neighborhoods for families in subsidized housing.

More data are needed to determine whether these places have programs to support subsidized units in low-poverty neighborhoods or if varying poverty rates across the country are driving differences. This research should also explore how differences between place-based and tenant-based housing interventions affect households and children.

Figure 3 shows the 10 agencies with the most households with children living in public housing units in low-poverty neighborhoods. The Housing Commission of Anne Arundel County in Maryland—which covers suburbs of Annapolis and Baltimore—had 244 households with children in public housing in low-poverty neighborhoods, the most of any agency.
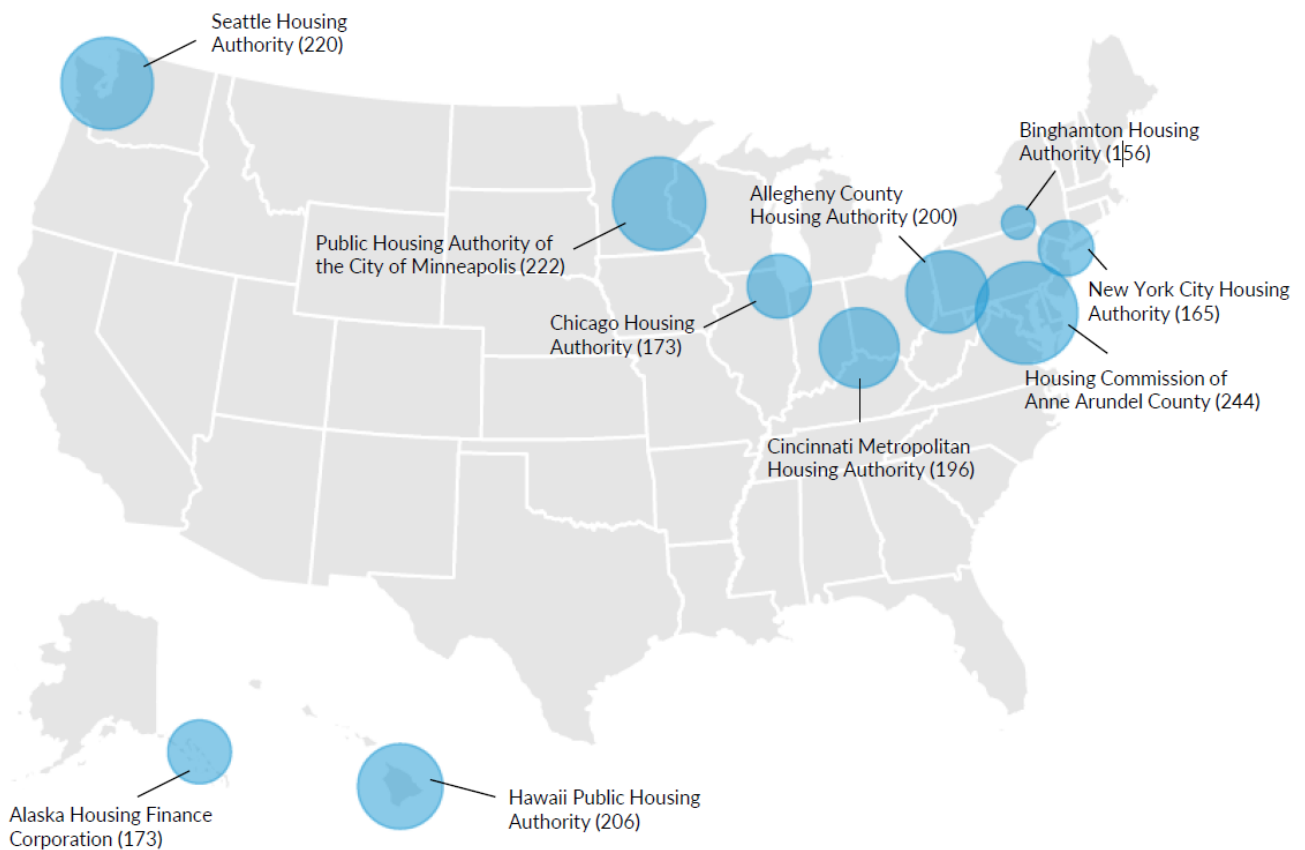
The agencies in Minneapolis, Seattle, Hawaii, and Allegheny County, Pennsylvania, were the only others that had more than 200 families with children in public housing in low-poverty neighborhoods. The share of families with children in public housing that live in low-poverty neighborhoods varies considerably across these agencies.

All households with children in public housing provided by the Housing Commission of Anne Arundel County lived in low-poverty neighborhoods, and the majority of the agency's public housing units are in low-poverty neighborhoods. At the other end of the spectrum, of the more than 50,000 families with children in public housing in New York City, only 165 were in low-poverty neighborhoods.

FIGURE 3
Ten PHAs with the Most Families in Public Housing Units in Low-Poverty Neighborhoods
Households with children, 2017

Seattle Housing Authority (220)

Binghamton Housing Authority (156)

Allegheny County Housing Authority (200)

Public Housing Authority of the City of Minneapolis (222)

New York City Housing Authority (165)

Chicago Housing Authority (173)

Housing Commission of Anne Arundel County (244)

Cincinnati Metropolitan Housing Authority (196)

Alaska Housing Finance Corporation (173)

Hawaii Public Housing Authority (206)

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Source: Urban Institute analysis of 2017 HUD Office of Public and Indian Housing Information Center data and 2013–17 American Community Survey five-year estimates.
Note: PHA = public housing agency.

Figure 4 shows the 10 agencies supporting the most households with children in PBV units in low-poverty neighborhoods. The King County Housing Authority has 517 households (about 45 percent) with children in PBV units in low-poverty neighborhoods, the most of all housing agencies. Its neighboring agency in Seattle has 175 households that meet these criteria. The Atlanta Housing Authority, Metro HRA (in Twin Cities, Minnesota), and Inlivian (housing authority in Charlotte, North Carolina) also have relatively large numbers of PBV households with children in low-
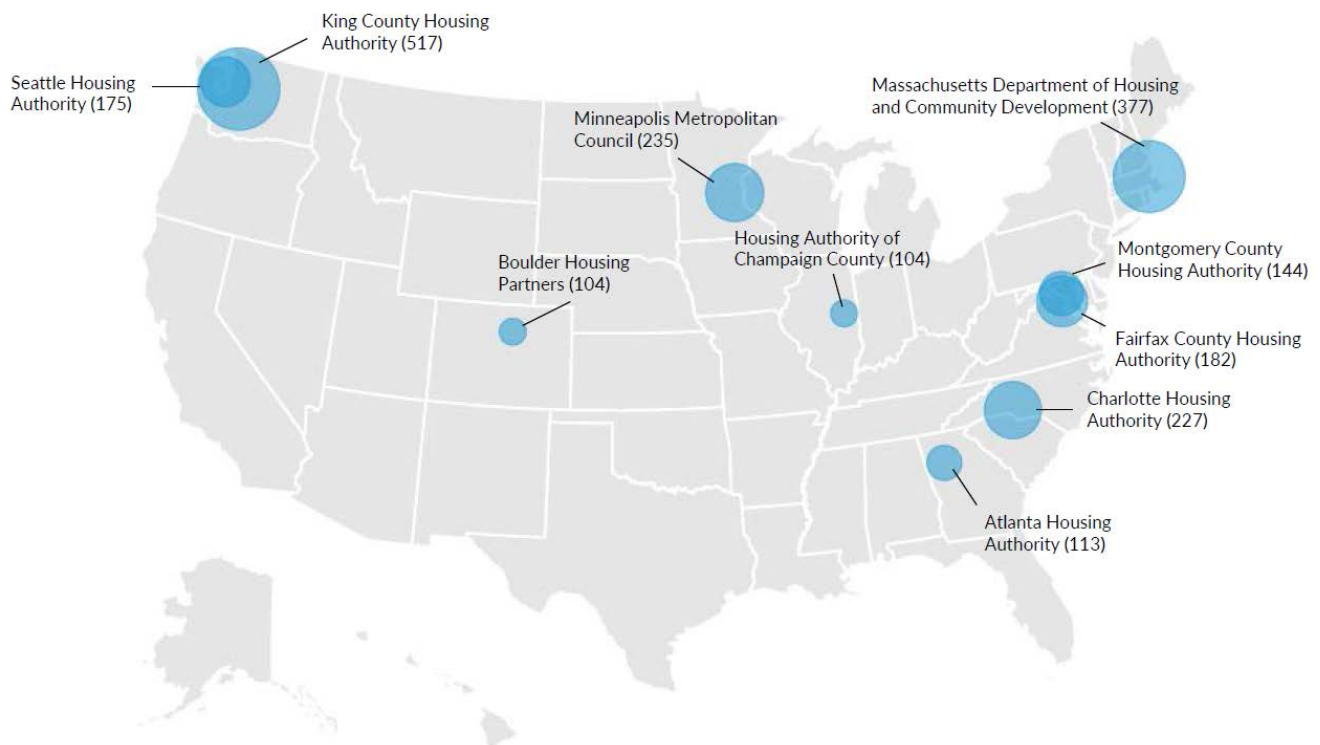
poverty neighborhoods: 113, 235, and 227 units, respectively. In Atlanta and Charlotte, between 13 and 20 percent of households with children in PBV units were in low-poverty neighborhoods. The Atlanta Housing Authority and Inlivian, like the King County Housing Authority, are Moving to Work (MTW) agencies. The MTW program provides agencies with greater flexibility in using Housing Choice Voucher funds to develop and subsidize PBV units. Metro HRA participates in the HUD Mobility Demonstration, providing families with children with better access to low-poverty neighborhoods with high-performing schools through tenant-based vouchers. Nearly 80 percent of households with children in PBV units run by Metro HRA are in low-poverty neighborhoods.

Figure 5 shows the counties with the greatest numbers of households with children in PBRA developments in low-poverty neighborhoods. PBRA is the largest of the three programs we studied, and we find that it has larger concentrations of households in low-poverty neighborhoods. Montgomery County, Maryland—which includes many suburbs of Washington, DC—has the most PBRA households in low-poverty neighborhoods at 791. We also see larger numbers of households in PBRA units in low-poverty neighborhoods in Fairfax, Virginia, another suburban area outside of Washington DC; in suburbs of Philadelphia (Montgomery County and Chester County); and in suburbs of Boston (Middlesex County). Most of counties shown in figure 5 are in the Northeast, but the counties that include Chicago (Cook County) and Minneapolis (Hennepin County) also have larger numbers of PBRA households in low-poverty neighborhoods.

Ten PHAs with the Most Families with Project-Based Vouchers in Low-Poverty Neighborhoods
Households with children, 2017

King County Housing Authority (517)

Seattle Housing Authority (175)

Minneapolis Metropolitan Council (235)

Massachusetts Department of Housing and Community Development (377)

Boulder Housing Partners (104)

Housing Authority of Champaign County (104)

Montgomery County Housing Authority (144)

Fairfax County Housing Authority (182)

Charlotte Housing Authority (227)

Atlanta Housing Authority (113)
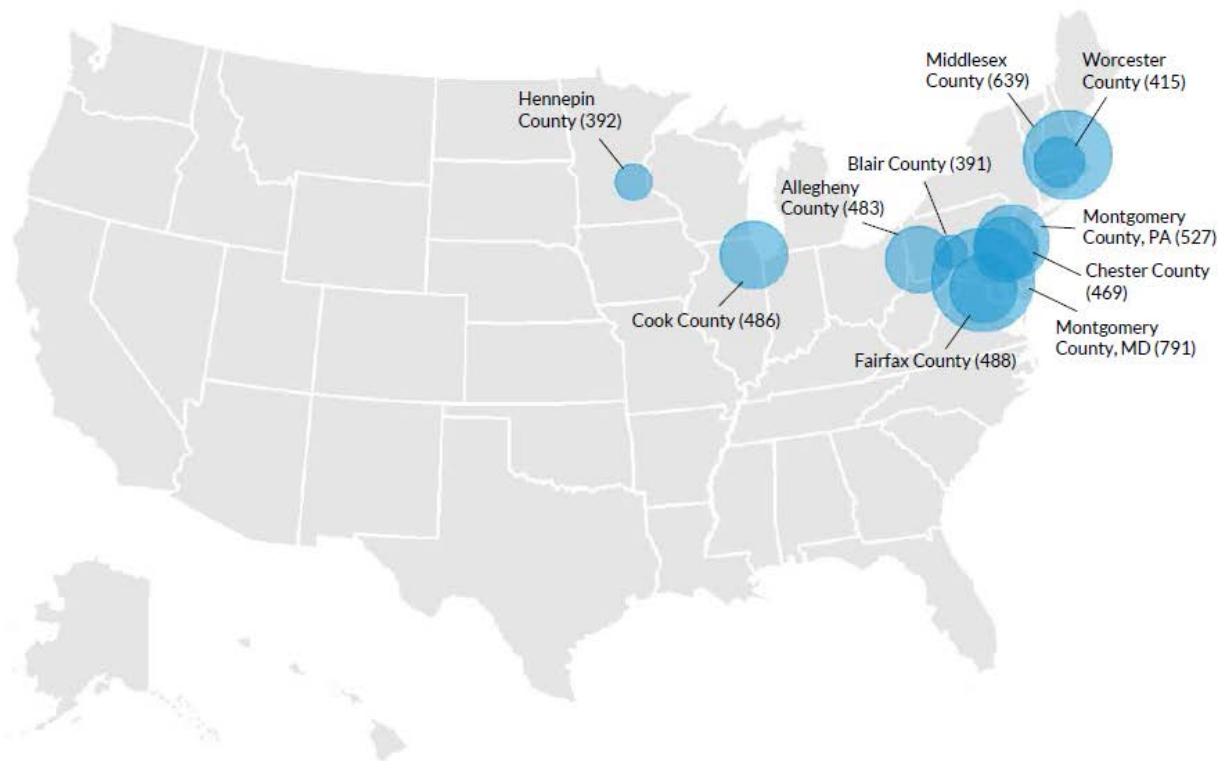
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Source: Urban Institute analysis of HUD Office of Public and Indian Housing Information Center data and 2013–17 American Community Survey five-year estimates.

Note: PHA = public housing agency.

FIGURE 5
Ten Counties with the Most Families in PBRA Units in Low-Poverty Neighborhoods
Households with children, 2020

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Sources: 2020 data from "Pictures of Subsidized Households," US Department of Housing and Urban Development, accessed January 4, 2022; 2013–17 American Community Survey five-year estimates.

Note: PBRA = Section 8 project-based rental assistance.

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ABOUT THE DATA

- We defined low-poverty neighborhoods as census tracts with a poverty rate of less than 10 percent, according to 2013–17 American Community Survey five-year estimates. This threshold is widely used in other studies on neighborhood outcomes, such as the Moving to Opportunity impact evaluations (Ludwig et al. 2013; Chetty, Hendren, and Katz 2016).

- Public housing and PBV unit counts are from HUD's Public and Indian Housing Information Center, restricted to data from 2017: https://www.hud.gov/program_offices/public_indian_housing/systems/pic/about.

- We calculated low-poverty estimates using 2013–17 American Community Survey five-year estimates: https://www.census.gov/programs-surveys/acs.

- PBRA unit counts are from HUD's "Pictures of Subsidized Households" dataset for the year 2020: https://www.huduser.gov/portal/datasets/assthsg.html.

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