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Madam Chairwoman and members of the Committee, thank you for inviting me to appear here today. For the past decade, I have been studying the impact of the HOPE VI program on original residents of public housing targeted for redevelopment. While most of my research has focused on Chicago, which had more distressed public housing than any other city in the nation, I have conducted research in 13 HOPE VI sites across the country. My remarks today draw from two major studies: The HOPE VI Panel Study, which tracked residents from five sites across the country, and the Chicago Family Case Management Demonstration.

Twenty years ago, dilapidated, high-crime public housing developments populated by impoverished, female-headed households were a powerful symbol of the failures of U.S. social welfare policy. HOPE VI was a key element of a bold effort to transform these public housing communities and demonstrate that housing programs could produce good results for residents and communities. The program provided grants to housing authorities to replace their most distressed developments—those with high crime rates, physical decay, and obsolete structures—with new, mixed-income communities. In a departure from earlier efforts to "rehabilitate" public housing, HOPE VI sought to move beyond bricks and mortar and provided funding for supportive services for residents to help them move toward self-sufficiency and improve their life circumstances (Popkin, Levy, and Buron 2009).

There is no question that HOPE VI has changed the face of public housing—hundreds of those dilapidated structures have been replaced with attractive new developments, and the program has sparked innovations in financing and management (Popkin et al. 2004; Katz 2009). However, the picture for residents appears more mixed. Evidence from the Urban Institute's HOPE VI Panel Study, the most comprehensive

study of resident outcomes, shows that many former residents have received Housing Choice Vouchers or moved into mixed-income developments, and now live in better housing in neighborhoods that are considerably less poor and distressed and that provide safe environments for them and their children. Studies of individual HOPE VI sites show similar results (Popkin, Levy and Buron 2009). However, there are real reasons for concern—many advocates point to the low rates of return to the new developments and the loss of hard units of public housing as critical issues (see Crowley 2009).

Of even greater concern, our research shows that the program has not been a solution for the most vulnerable families—those "hard to house" families with multiple, complex problems that make them ineligible for mixed-income housing or unable to cope with the challenges of negotiating the private market with a Housing Choice Voucher. In many cities, public housing has served as the housing of last resort for decades, with the poorest and least desirable tenants warehoused in the worst developments. As these developments have been demolished, housing authorities have often simply moved these vulnerable families from one distressed development to another, and with a concentration of extremely troubled families and a lack of adequate supportive services, these replacement developments have the potential to become even worse environments than those from where these families started (Popkin, Levy, and Buron 2009).[1]

The Obama administration's proposed Choice Neighborhoods initiative builds on the successes of HOPE VI, and would broaden the scope of revitalization efforts beyond public housing to the surrounding community, including schools and other types of housing. However, if this new effort is to be more successful than its predecessor in

[1] See Popkin, Levy and Buron 2009 for a comprehensive summary of the HOPE VI Panel Study and key findings.

improving the lives of the vulnerable families who suffered the worst consequences of living in distressed public housing, it is essential that it incorporate strategies that effectively address their needs (Popkin and Cunningham 2009). None of these solutions are simple, and all will require a long-term commitment to improving the quality of life for these households and ensuring better futures for their children (Popkin 2006).

Who Are the Hard to House?

Hard-to-house residents—families coping with multiple complex problems such as mental illness, severe physical illness, substance abuse, large numbers of young children, weak labor-market histories, and criminal records—are less likely than other residents to realize significant improvements in their quality of life as a result of HOPE VI revitalization. We used data from the HOPE VI Panel Study baseline to define four categories of "hard to house" residents:

- multiple-barrier households (living in public housing 10 years or more, no high school degree, not employed, less than 50 years old, criminal justice involvement);
- grandfamilies (older adults with more than one child under age 18) and disabled households;
- elderly households (65 years old or older and no children); and
- large households (households needing three or more bedrooms).

Our analysis showed that the proportion of families falling into one or more of these categories ranged from 37 percent in the three smaller sites (Durham, Richmond CA, and Atlantic City) to 62 percent in the two larger ones (Chicago and Washington, D.C.) (Popkin, Cunningham, and Burt 2005).

In the final round of the study in 2005, we found that at every site, hard-to-house families were more likely to end up in traditional public housing than to have received

vouchers or moved into mixed-income housing (Popkin, Levy, and Buron 2009; Popkin and Cunningham 2009). Placing them in other traditional developments may well have kept them from becoming homeless, but clearly, we need better solutions for vulnerable families than simply moving them to other developments, which may well become as—or even more—distressed than the developments from which they came.

Chicago Family Case Management Demonstration

The Chicago Family Case Management Demonstration (Popkin et al. 2008) provides one model for serving the needs of the most vulnerable public and assisted housing families. The demonstration has developed an innovative model for serving the needs of the most troubled public housing residents, households with high rates of physical and mental health problems, low levels of educational attainment, weak attachment to the labor force, and high levels of involvement in public systems (criminal justice, child welfare). The demonstration, a partnership of the Urban Institute, the Chicago Housing Authority (CHA), and Heartland Human Care Services (HHCS), is providing enhanced, wraparound case management services to residents of two of CHA's remaining developments, the Ida B. Wells and Dearborn Homes.[2] The project is now in its third year and has achieved impressive interim outcomes, including engagement rates of nearly 90 percent, and successfully adapting the model from one that provides place-based services to one that follows residents after relocation.

The demonstration provides families with intensive family case management services, long-term support, enhanced relocation services, workforce strategies for those who have barriers to employment, and financial literacy training. The ultimate goal is to help these families maintain safe and stable housing, whether in traditional CHA public

[2] For a complete description of the demonstration service model, see Susan J. Popkin, Brett Theodos, Caterina Roman, and Elizabeth Guernsey. 2008. "The Chicago Family Case Management

housing, in the private market with a voucher, or potentially, in new, mixed-income developments.

The demonstration enhances the CHA's standard service package in several ways, including the following:

- Lowering the case manager–resident ratio from 1:55 to 1:25 with the goal of 80 percent engagement (typical engagement levels do not usually surpass 50 percent at Wells and Dearborn).
- Providing case managers with the opportunity to conduct regular follow-up visits with residents on a weekly rather than monthly basis, thus making more intensive work possible with all family members, not just the head of household.
- Encouraging consistency in the client–case manager relationship by extending the length of time case managers remain engaged with residents, even after they move, from three months to at least three years.
- Focusing the family's goals as they relate to the move-in criteria at the new mixed-income developments or housing choice vouchers (e.g., work requirement, utility debt, housekeeping, drug tests, children in school, etc.).
- Providing a transitional jobs program to serve those who are the hardest to employ.
- Incorporating a financial literacy and matched savings program that allows residents to develop budgeting, financial management, and savings skills.
- Providing residents access to enhanced housing choice education and relocation counseling.

Demonstration: Developing a New Model for Serving 'Hard to House' Public Housing Residents." Washington, DC: The Urban Institute.

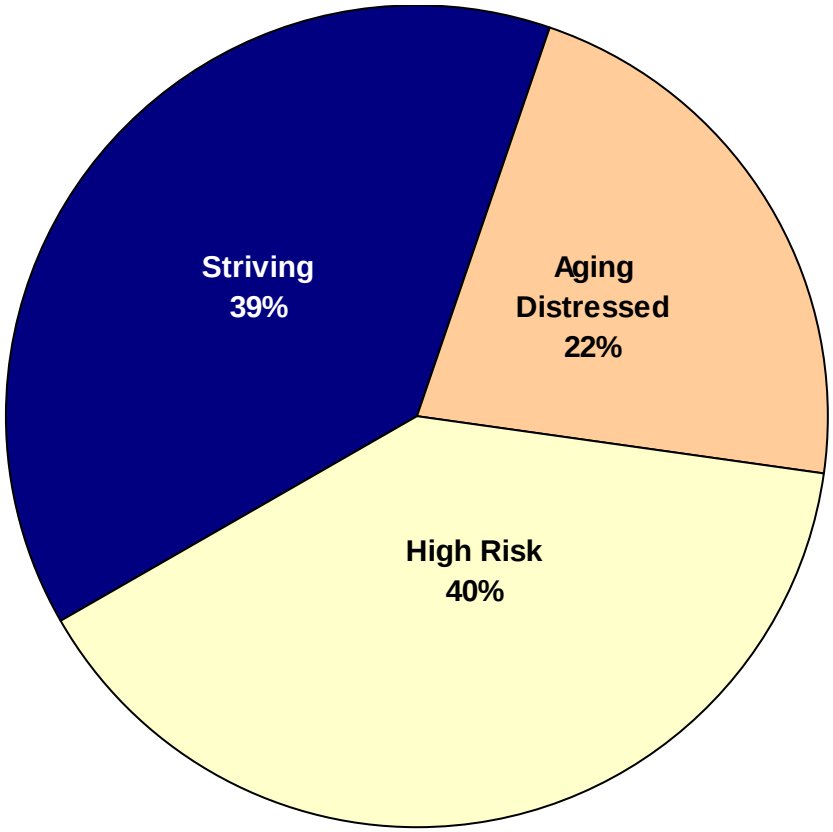
- Facilitating regular coordination among team members—the CHA, Heartland Human Care Services, Housing Choice Partners, and the research team.

We are conducting a rigorous evaluation of the demonstration, including analysis of administrative data, baseline and follow-up resident surveys, comparison to residents in CHA developments, and a cost-effectiveness analysis. The results of this full evaluation will be available in 2010. However, we are able to point to several successes based on our implementation evaluation thus far, including high levels of resident engagement and the successful translation from a site-based to a voucher-based model.

Resident Typology: Targeting Services Effectively

We have also used the data from the demonstration to create a resident typology that provides a more fine-grained picture of the hard to house population and allows us to develop criteria for targeting services effectively (Theodos et al. 2009). This typology provides a template for designing supportive housing systems within public housing and assisted housing settings, including wraparound services with vouchers and units integrated into mixed-income developments.

Figure 1. Groups of Residents in the Chicago Family Case Management Demonstration



As figure 1 shows, our analysis divides the demonstration population—all long-term, extremely poor, African-American CHA residents—into three distinct groups based on key characteristics. “Striving” residents are younger, connected to the labor market, have high school diplomas, and have children under 18 in their households. “Aging and distressed” residents are older (although generally not over 65); lack high school degrees; have not worked in many years; have serious mental and physical health challenges (figures 2 and 3), including substance abuse problems; and no longer have children under 18. Finally, “high-risk” families share characteristics of both of the other groups: they have children; lack high school diplomas; have low levels of literacy; have weak labor force connections; have serious mental and physical health challenges, including substance abuse problems; and have family members with criminal justice involvement.

Figure 2. Mental Health for Residents in the Chicago Family Case Management Demonstration, by Group

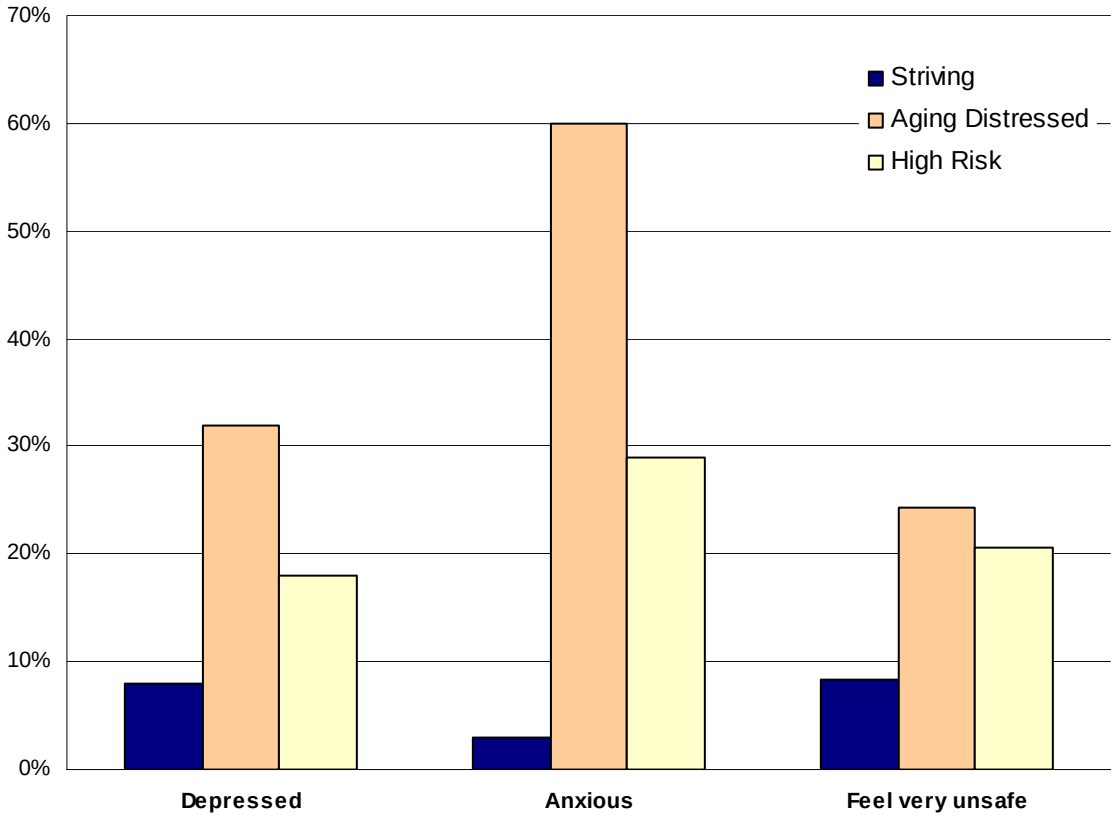
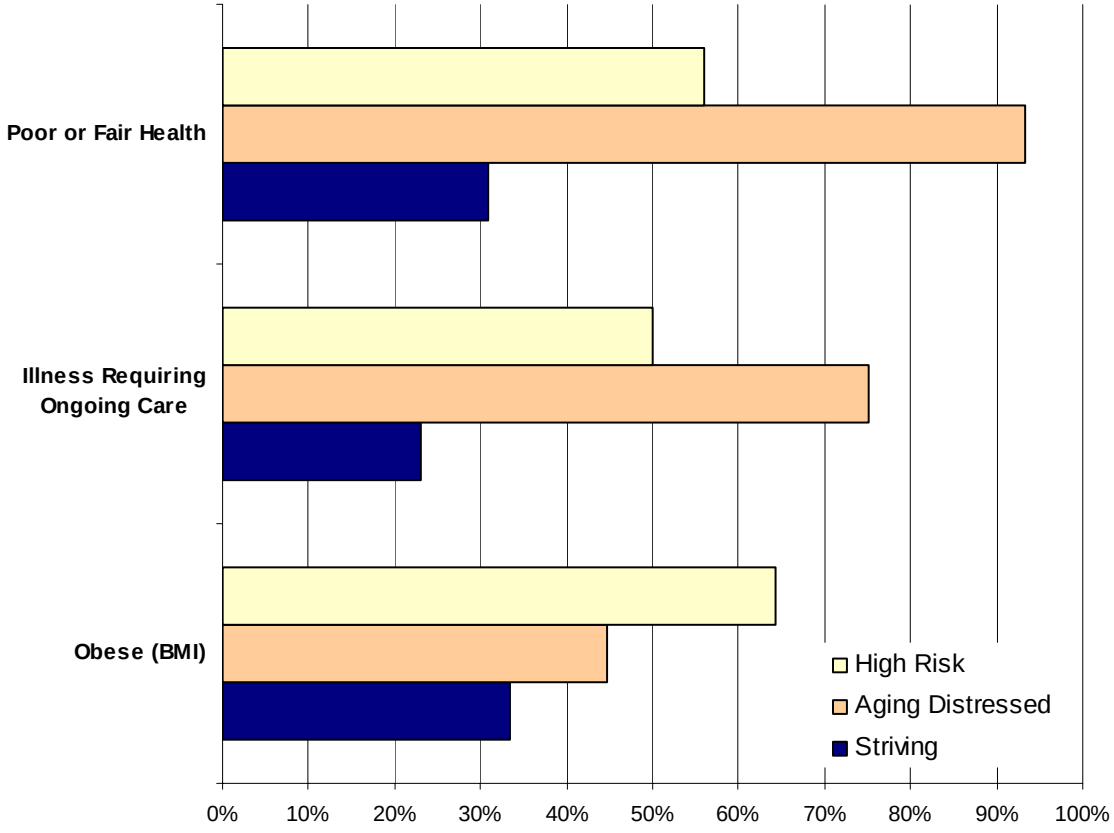


Figure 3. Physical Health for Residents in the Chicago Family Case Management Demonstration, by Group



The striking differences among the three groups of residents in the demonstration population suggests a need for a range of service approaches and a strategy for identifying those most likely to need—and benefit from—an intensive case management model. Clearly, the "striving" group is very different from the other two: they have their high school diplomas; are connected to the labor market, even if they cycle in and out of low-wage jobs; and, most significantly, are in good mental and physical health. Case managers have commented that this group is often the most difficult to engage in the intensive services, both because they are often uninterested or simply unavailable during work hours. Although they are long-term public housing residents, very few of these residents are interested in staying in traditional public housing: at

baseline, nearly two-thirds (60 percent) said they wanted a voucher, and another 25 percent indicated that they hoped to move to a mixed-income development. There is considerable evidence from our other research on HOPE VI relocation in Chicago and other cities that residents who move with vouchers or to mixed-income end up in better housing in dramatically safer neighborhoods, and report lower levels of anxiety (Buron, Levy, and Gallagher 2007; Popkin, Levy, and Buron 2009). Our qualitative interviews with striving residents suggest that demonstration participants will likely experience the same gains (Theodos et al. 2009).

However, while striving residents are likely to benefit considerably from relocation, simply helping them to move will not ensure their long-term stability. Although they are better off on many indicators, these striving residents are also very long-term public housing residents with little experience in dealing with landlords or the stresses of living in the private market. Indeed, evidence from the demonstration baseline survey shows that striving residents were nearly twice as likely as those in the high-risk group to report difficulty in paying their rent while they were still living in public housing, suggesting they may continue to experience trouble after relocation. Likewise, other research on HOPE VI relocatees also shows that private-market movers report experiencing significant hardship, especially difficulty paying utility bills and affording food (Buron, Levy, and Gallagher 2007; Popkin, Levy, and Buron 2009). “Striving” families will continue to need “light-touch” support to ensure that they can maintain the gains they made in leaving distressed public housing. This includes the following:

- Long-term follow up, with monthly visits from a case manager for the first year, and quarterly contact for at least two years.
- Access to employment services, including transitional jobs, job search assistance, job training, and education.
- Financial literacy, particularly budgeting and saving.

- Second-mover counseling to help striving families make subsequent moves to communities that will offer greater opportunities for themselves and their children.

In contrast, "aging and distressed" residents have very different service needs. As figures 2 and 3 show, they face stark physical and mental health challenges. Nearly all of them rate their health as "fair or poor," indicating an extreme level of vulnerability. As a point of comparison, 65 percent of residents 65 and older in the five-site HOPE VI Panel Study reported fair or poor health, as did 58 percent of those age 45 to 64; these figures for the respondents were already twice as high as for black women nationally—and black women as a group are in poorer health than average (Manjarrez, Popkin, and Guernsey 2007). Further, the aging and distressed group were twice as likely to report anxiety and depression than HOPE VI Panel Study respondents, which means they are experiencing these problems at a rate *more than four times* that for black women nationally. For these residents, attaining self-sufficiency is an unattainable goal; in addition to their fragile health status, most have not worked in decades and are truly disconnected from the labor market and the world outside public housing. A better approach for these extremely vulnerable residents is to focus on "harm reduction," helping them remain stable and avoid becoming either homeless or ending up in nursing homes—and their children from ending up in the child welfare system. Appropriate strategies for the aging and distressed include the following:

- Enhanced senior housing, essentially converting some existing senior housing into an assisted-living model that provides sufficient care (meals, housekeeping, activities, health care, case management) to help frail residents remain in the community. To accommodate the needs of the public housing population, this service would need to be available to residents under 60 that have enough physical and mental health challenges to be in the aging and distressed group.

- Permanent supportive housing that provides the same service package as assisted living for those who have custody of children or grandchildren and adds parenting support, child care, and after-school services for youth.

High-risk residents share characteristics with both striving and aging and distressed residents. Like the striving group, they generally are younger and have children in their household. And, like the striving group, at baseline, the vast majority of high-risk residents indicated that they did not want to remain in traditional public housing. While not yet as frail as the aging and distressed, they already have serious physical and mental health challenges, with high rates of poor health, depression, anxiety, and substance abuse. Notably, they are the group most likely to report being obese, which places them at risk for other serious health problems, like hypertension and diabetes. With their multiple challenges, High-Risk families are the group for whom intensive case management models are most likely to pay off in terms of keeping them out of the homelessness, child welfare, and criminal justice systems; assisted them to achieve their housing goals (vouchers or mixed-income developments); and helping them move toward self-sufficiency. These families need the type of services that the Chicago Family Case Management Demonstration provides, including

- Permanent family supportive housing like that provided by Heartland Alliance and the Corporation for Supportive Housing (Javits 2005), with such services on site as access to health care, mental health, and substance abuse counseling; educational and literacy services; transitional jobs and other employment and training services; financial literacy; parenting support; child care; and after-school services.

- Integrated supportive housing—a CSH model which incorporates small numbers of permanent family supportive housing units into mixed-income developments, with case management and services provided on site (Javits 2005).
- Vouchers with Wrap-Around Services—case managers go into the community to provide the same package of services delivered in permanent family supportive housing to voucher holders.
- Incorporating best practices like the incentives model from Project Match's Pathways to Rewards program in Chicago that helps families move toward self-sufficiency through providing rewards for achievements like paying their rent on time, getting their children to school, and volunteering (Herr and Wagner 2009).[3]

Informing the next generation of public housing reform

Many policymakers and scholars regard the HOPE VI Program as one of the nation's most successful urban redevelopment programs (see Katz 2009; Cisneros 2009). But despite its very real accomplishments, the HOPE VI program's record in meeting the needs of the original residents who endured the worst consequences of the failures of public housing is mixed. While many ended up relocating with vouchers to better housing in safer neighborhoods or moving into the new developments, too many others were simply relocated to other, traditional public housing. The residents who ended up in these developments were disproportionately the most vulnerable—those who had been most damaged by the distressed environment and were least able to cope with the challenges of relocation. With so many troubled families concentrated in one place, the remaining traditional developments have the potential to become even worse than the distressed communities these families came from.

[3] The demonstration uses the incentives model for its Get Paid to Save financial literacy program, but that is targeted primarily at residents in the striving group.

With its proposed Choice Neighborhoods initiative, the Obama administration has the opportunity to build on the experiences of nearly two decades of experience with HOPE VI. HUD Secretary Shaun Donovan recently stated that "There is no excuse, any longer, if there ever was, to fail to house and support every family now living in a distressed or assisted housing project" (Donovan 2009). Incorporating intensive case management and permanent supportive housing for the most vulnerable into Choice Neighborhoods and any other comprehensive redevelopment effort is one way to ensure these initiatives truly meet the needs of *all* public housing families.

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