Housing Policy & the O-Word:

Getting beyond the mistakes and constraints of the ‘opportunity paradigm.’

Edward G. Goetz
Director, Center for Urban and Regional Affairs
Professor, Humphrey School of Public Affairs

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PACE Center for Applied Housing Research San Francisco State University
OPPORTUNITY

• “a set of circumstances that makes it possible to do something”
  • a chance
  • a favorable time/occasion/moment
  • an opening
“Opportunity neighborhoods”: Locations desirable because of the advantages they confer on residents. Neighborhoods with a wide range of amenities and high-quality public services.
OPPORTUNITY PARADIGM

• “Neighborhood Effects” literature
  • How neighborhoods produce and reinforce social and economic inequality
• The link between neighborhood conditions and individual well-being
• Spatially differentiated pattern of life chances
POLICY & PLANNING

• Quickly embedded in U.S. housing policy and policy research/advocacy
• Reorienting subsidized housing to opportunity neighborhoods
  • HOPE VI, Choice Neighborhoods
  • Dispersal and mobility programs (e.g., MTO)
• Opportunity mapping
• Florence Roisman, Mandates Unsatisfied: The Low Income Housing Tax Credit Program and Civil Rights Laws,” 52 U. Miami L. Rev. 1011, 1012 (July 1998)
• Keren M. Horn and Katherine M. O’Regan, 2011. “The Low Income Housing Tax Credit and Racial Segregation.” Furman Center for Real Estate and Public Policy; NYU
OPPORTUNITY & FAIR HOUSING

• Increased activism on fair housing in Obama years
• Donovan and opportunity framework
• LIHTC litigation
  • incl. *ICP v. Texas DHCA*
• 2015 rules on affirmatively furthering fair housing (AFFH)
THE LIMITS OF OPPORTUNITY

• The disappointing evidence base of Gautreaux, MTO, and HOPE VI

• Sharkey (2013) “It is time to discard the idea that moving large numbers of families out of the ghetto can be a primary solution to concentrated poverty.” p. 175

• “Instead of proposals for large-scale mobility programs, I argue for direct and sustained investments in poor, urban neighborhoods.” p 179
THE CHETTY STUDIES

1. The place where you live matters for well-being and lifespan

2. Children who were younger than 13 at time of MTO relocation earn 31% more as adults than control group

And, more likely to go to college and go to “better” colleges
BUT,

- Counties?
- Older children actually fare worse than control group
- No effect for adults
- 31% increase in earnings is difference between $11,277 and $14,747
OPPORTUNITY MAPPING

• Three common mistakes/distortions
  • Measuring who, not what
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• Three common mistakes/distortions
  • Measuring who, not what
  • Opportunity as a binary
OPPORTUNITY MAPPING

- Three common mistakes/distortions
  - Measuring who, not what
  - Opportunity as a binary
  - Opportunity as a scale
The multiple geographies of opportunity
Opportunity in housing policy

- Critique & challenge to affordable housing and community development
- LIHTC legal action
  - *In re adoption of 2003 Low Income Housing Tax Credit Allocation Plan*, New Jersey
  - *Inclusive Communities Project v. Texas Department of Housing and Community Affairs*, Dallas
Opportunity in housing policy

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“Our case challenges the notion that more or new affordable housing in cities is fundamentally helpful for revitalization. In fact, building affordable housing in the cities has no net revitalizing effect at all.”

Staff attorney, New Jersey Fair Share Housing Center (in Neuwirth 2005)
“WHERE SHOULD A POOR FAMILY LIVE?”  
BY THOMAS B. EDSALL, NYT, AUGUST 5, 2015

• “The dominant force behind existing policies is what critics call the ‘poverty housing industry,’ a de facto alliance of multimillion-dollar nonprofit housing companies, city politicians, state and local housing authorities and grass-roots organizations based in distressed urban communities.”

• “Betsy Julian, president of the Dallas-based Inclusive Communities Project, said in an interview that low-income housing developers ‘make a lot of money, and it needs to be understood that they are really set up on the assumption that we have segregated housing and you have to work with the segregated status quo.’ The resulting practices, she said, are ‘doing serious harm to children.’”
The fair housing challenge

- The reduction of fair housing to dispersal/integration
- Opposition to community preference programs (SF/NY/Portland)
- Devaluation of low-wealth communities and communities of color
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“Policies that seek to end unjust racial inequality by pushing, or even nudging, blacks into residential integration or that make needed resources available only on condition that blacks are willing to integrate show a lack of respect for those they aim to assist.”

Supreme Court in
*Texas DHCA v. ICP*, 2015

- Ruling affirmed disparate impact as an actionable claim under Fair Housing Act
Supreme Court in *Texas DHCA v. ICP*, 2015

• “difficult to say as a general matter that a decision to build low-income housing in a blighted inner-city neighborhood instead of a suburb is discriminatory...”
Supreme Court in *Texas DHCA v. ICP*, 2015

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- Disparate impact liability does not mandate “the displacement of valid governmental policies... The FHA is not an instrument to force housing authorities to reorder their priorities.”
Supreme Court in *Texas DHCA v. ICP*, 2015

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- Disparate impact liability does not mandate “the displacement of valid governmental policies... The FHA is not an instrument to force housing authorities to reorder their priorities.”

- “It would be paradoxical to construe the FHA to impose onerous costs on actors who encourage revitalizing dilapidated housing in our Nation’s cities merely because some other priority might seem preferable.”
HUD 2015 AFFH rule

- “The duty to affirmatively further fair housing does not dictate or preclude particular investments or strategies as a matter of law…”

- “HUD’s rule recognizes the role of place-based strategies...to improve conditions in high poverty neighborhoods…”
Four housing policy implications

1. “Location Affordability Index” (LAI)
2. Transit Oriented Development
3. Urban Sustainability
4. Gentrification, suburban diversity, and changing structure of metropolitan areas