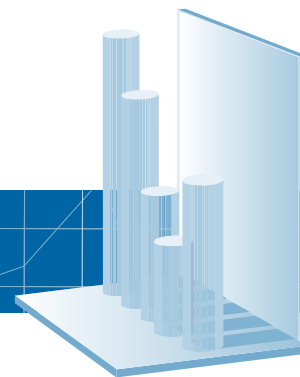




# RESEARCH IN FOCUS

SUPPORTING SCHOLARSHIP IN HOUSING  
AND COMMUNITY DEVELOPMENT



VOLUME 4/ISSUE 1

## Housing Choice Vouchers: Whose Choice Is It Really?

Kimberly J. Mitchell spent 11 years in the property management industry, managing and developing market-rate and affordable low-income housing tax-credit properties. Then in January 2004, she enrolled in Virginia Polytechnic Institute and State University (Virginia Tech) to pursue a Ph.D. in Environmental Design and Planning. At Virginia Tech, she received a 2005 Early Doctoral Student Research Grant (EDSRG) from the U.S. Department of Housing and Urban Development (HUD). But tenacity and fate made Mitchell an unconventional EDSRG grantee.



Dr. Kimberly J. Mitchell

In 2006, she began intense work on her research manuscript titled “Whose Choice Is It Really: An Analysis of Property Owner and Manager Characteristics and Their Impact on Housing Choice Voucher Acceptance.” Mitchell was intent on using her industry experience and interests to

shed light on the critical role property owners play in the Housing Choice Voucher (HCV) program. But in fall 2006, Mitchell made important modifications and expanded her research methodology to analyze property profitability and perceived majority tenant prejudices on housing choice voucher acceptance through primary data collection and case studies. She was then granted a 6-month extension from HUD to complete her manuscript. But, on April 16, 2007, the unthinkable happened. A tragic shooting at the Virginia Tech campus left 33 people dead, plunging the entire campus into a state of shock and grief.

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## Moving Out: Section 8 and Public Housing Relocation in Chicago

Mathew Z. Reed is a trailblazer. In 2001, he became the first student at Northwestern University in Evanston, Illinois, to receive a Doctoral Dissertation Research Grant (DDRG) from the U.S. Department of Housing and Urban Development’s (HUD) Office of University Partnerships (OUP). Now a Senior Associate at Schoolhouse Services and Town Hall Services in Menlo Park, California, Dr. Reed credits his DDRG with giving him the time and legitimacy to pursue a very ambitious project that required significant administrative cooperation.

That ambitious project was completing his dissertation titled “Moving Out: Section 8 and Public Housing Relocation in Chicago.” And the significant administrative cooperation included coordination with agencies within Chicago, including the Chicago Housing Authority (CHA).

### New Place, New Beginning?

The housing authority’s *CHA Transformation Plan 2000* included demolishing 51 high-rise buildings—a projected net loss of 14,000 public units—and relocating between 6,000 and 7,000 public housing tenants into the private market with Section 8 vouchers (currently called Housing Choice Vouchers). A key goal of the Section 8 program was to reduce racially segregated pockets of urban poverty by increasing low-income tenants’ access to more diverse housing opportunities. Thus by providing these households with Section 8 certificates, the CHA intended to decrease the racial and economic isolation of public housing tenants.

But where did these households move to, and what were the key influences of their resettlement pattern? To answer these questions, Reed examined relocation patterns and housing choice decisions (through August 2002) of CHA tenants who received Section 8 vouchers to move out of high rises scheduled for demolition. Reed combined quantitative and qualitative tools, including interviews with CHA officials and relocated individuals, to address these questions. His

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research delineates and evaluates key variables shaping the relocation patterns—market forces, tenant counseling, and the housing-choice decisions—of very low-income African-American households as they moved into the private market using tenant-based Section 8 assistance.

### Research In Focus: Relocation Patterns

Reed's research shows that, in general, the households moved to predominantly black areas— instead of more racially diverse areas—with significant amounts of rental housing and high proportions of young children. However, they did move to neighborhoods that were significantly less poor than the public housing developments they left.

**Market forces:** This research showed that barriers to accepting Section 8 tenants moving from public housing existed in the rental market in Chicago. In addition to racial and economic discrimination, tenants faced landlords' reluctance to rent to Section 8 households, to public housing tenants with no other rental history, and to families with several children or with teenagers.

**CHA relocation counselors:** Housing relocation counseling agencies contracted by CHA had incentives to streamline the relocation process, given the number of families to relocate and the limited time in which to complete their moves. This meant that counselors linked tenants to landlords known to accept Section 8 clients. "The supportive resources to assist with searches and moves appear, in general, to have helped decrease anxiety and assist with housing searches," explained Reed. "However, they also seem to have done so at the expense of facilitating the relocation of these households to areas that were less poor and more racially diverse.... The impact of the counselors was 'segregative' only to the extent that it was not explicitly integrative (omission rather than commission)."

**Tenants' housing and neighborhood preferences:** Reed conducted interviews with relocated households to ascertain their priorities for choosing a new apartment and neighborhood. Understanding the importance of the households' needs and interests is critical to understanding their housing search and choice behavior as well as their residential settlement patterns, Reed said.

"Within administrative and market constraints, the relocated households were attentive to unit and neighborhood conditions and placed considerable emphasis on the amount and quality of space afforded

by prospective units. In addition, with a few notable exceptions, their eventual location choices reflected a desire to maintain access to important social-institutional connections, particularly family."



*Dr. Mathew Z. Reed*

Access to family and the social support it provides is central to the housing search and the choice of the majority of families that Reed interviewed. Sometimes, this family resource meant a sister who provided emotional support or a grandmother who provided childcare for a mother working or attending school. Reed also found that they did care about crime and conditions of the neighborhood that they were considering. However, these negatives were weighed against positive social benefits of a particular neighborhood.

In deciding where to move, families also considered proximity to their jobs, children's schools, health clinics, or other institutions. As long as there was reasonable access to these sites, it was not critical that they be in the same neighborhood as their new apartment.

### The Impact of Section 8 on Relocation

Reed stated that the relocation patterns in Chicago are the result of both the push of an inhospitable market and the pull of sentiment and important social networks. He concluded that there is little evidence that Section 8 subsidies themselves promote increased concentrations of racially and economically isolated populations. In fact, they appear to integrate households into the local housing market, which in Chicago is already characterized by extreme racial segregation and a highly correlated economic segregation.

Reed noted that this research was conducted in the early phases of a long process of public housing demolition, tenant relocation, and promised redevelopment in Chicago. "Aspects of the administration process that were adapted and changed during the study period (which ended in 2002), have likely continued to be reevaluated since, and will undoubtedly be different by the time efforts in Chicago have been completed," he said.

For more information, contact Dr. Mathew Z. Reed at Schoolhouse Services and Town Hall Services in Menlo Park, California, or at [Mathew@schoolhouseservices.com](mailto:Mathew@schoolhouseservices.com). To request a copy of "Moving Out: Section 8 and Public Housing Relocation in Chicago," send an e-mail to [oup@oup.org](mailto:oup@oup.org).

“This was devastating for everyone,” said Mitchell. “But HUD was one of the many government agencies who was patient, flexible, and extremely understanding with us. The agency granted the Virginia Tech family something very important—additional time to complete our research.”

Many people use work and staying busy to help them through difficult times. For Mitchell, time spent on research kept her focused. By working around the clock, she was able to submit a completed dissertation to HUD instead of merely a research manuscript. In June 2008, four years after returning to school, Mitchell successfully defended her dissertation, now titled “Whose Choice Is It Really? The Impact of Property Profitability, Owner Strategies, and Perceived Majority Tenant Prejudices on Housing Choice Voucher Acceptance.” Later that academic year, her research was recognized by Virginia Tech’s School of Public and International Affairs with an award for outstanding dissertation.

### **Introducing Dr. Kimberly Mitchell**

“My previous career experience and the HUD grant played pivotal roles in completing my research,” said Mitchell. “My background in property management and continued involvement in the industry enabled me to ask questions that may not have been asked before,” Mitchell explained.



*Mitchell with students Caroline Harris and Mike Davies*

Mitchell is now working on several articles that present her findings and suggest strategies for increasing voucher marketability. She is also using her research to help fulfill her teaching duties as an Assistant Professor for the Department of Apparel, Housing, and Resource Management at Virginia Tech.

“The HUD grant helped fund the legwork for me to do my case studies and surveys and gave me the opportunity and the flexibility to focus exclusively on my research and writing. Had I maintained my previous assistantship, there would have been no time for my research, brainstorming, writing, or working with my committee.”

## **Whose Choice Is It Really? The Impact of Property Profitability, Owner Strategies, and Perceived Majority Tenant Prejudices on Housing Choice Voucher Acceptance**

**by Kimberly Mitchell**

### **Research Design**

HUD’s Housing Choice Voucher (HCV) program provides housing assistance to very low-income families, the elderly, and the disabled and was designed to give voucher holders more choice in locating a home than other housing assistance programs. “The voucher program is a great program,” commented Mitchell. “However, when a property owner decides not to accept HCVs, it makes it more difficult for low-income families to locate suitable rental housing.

Using a mixed-method research design, Mitchell examined whether or not a property’s voucher acceptance was affected by property profitability; owner strategies, including corporate philosophy, business plan, and property location; and negative perceptions of problems associated with voucher tenants. The first phase of her research analyzed the 1995 Property Owner and Manager Survey data from the U.S. Census Bureau. Mitchell then administered a survey of property management companies in Fairfax County, Virginia, to provide more current data on firms’ use of vouchers. Finally, she developed case studies of three property management firms to further document owners’ decisions related to vouchers.

### **Increasing Voucher Acceptance**

“Understanding property owners’ role in the HCV program is critical to increasing voucher use,” said Mitchell. She hopes her findings will lead to strategies that increase voucher acceptance. “When I started my research, I thought property profitability would be the main driver of owner decisions concerning vouchers,” she stated. Initial analysis revealed that profitability was not a main deterrent to owners. However, property profitability was a primary consideration for the companies that participated in the Fairfax survey. The case study firms noted that if they chose to accept vouchers, their firm would set a maximum rate of vouchers that they would accept to prevent loss of income due to rent increases and delayed inspections associated with participating in the program. Mitchell suggests that public housing authorities who administer vouchers

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can help assuage property owners' concerns and increase voucher acceptance rates by making prompt payments, performing timely property inspections, and informing properties of rental increases in time for properties to maximize rental income.

Targeting voucher use among certain property types may help increase voucher holders' success in finding suitable housing. Mitchell's analysis showed that both nonprofit property owners and properties that have accepted vouchers in the past are more likely to accept vouchers in the future.

Management companies reject vouchers to prevent upsetting current residents, Mitchell said. The negative perceptions of vouchers rather than actual problems with voucher holders prevent management companies from

accepting vouchers. The quantitative analysis showed that poor voucher tenant behavior (e.g., delinquent rents and disturbing resident activities) did not significantly impede voucher acceptance. "To overcome the negative perceptions and increase voucher marketability, it is important to educate property managers about the positive aspects of vouchers such as getting a rent check every month, lower turnover rates, resident appreciation, and guaranteed occupancy," stated Mitchell.

For more information, contact Dr. Kimberly J. Mitchell at [kjmitch@vt.edu](mailto:kjmitch@vt.edu). You may request a PDF of "Whose Choice Is It Really? The Impact of Property Profitability, Owner Strategies, and Perceived Majority Tenant Prejudices on Housing Choice Voucher Acceptance" by sending an e-mail to [oup@oup.org](mailto:oup@oup.org).

HUD's Office of University Partnerships (OUP) provides grants to institutions of higher education to assist them and their partners with the implementation of a broad range of community development activities, including neighborhood revitalization, housing, and economic development. It also provides grants to doctoral candidates to develop and conduct applied research on policy-relevant housing and urban development issues. This newsletter, *Research in Focus*, highlights the accomplishments of grantees in OUP's Doctoral Dissertation Research Grant and Early Doctoral Student Research Grant programs. It includes a variety of articles on past and current grantee dissertations and research.