

HOUSING POLICY AND URBAN POVERTY

by

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After a brief review of the urban poverty context, this paper considers the role of housing policy as part of an urban poverty strategy. Section II examines housing mobility as a technique that can enable poor families to escape urban ghettos. Section III explores economic integration as a component of ghetto rebuilding efforts. Section IV then seeks to ground the paper's housing policy recommendations in broader thinking about urban poverty strategies.

I. The Context

A quarter of a century ago, after widespread urban riots, the Kerner Commission told us that America was moving toward two societies, "one black, one white—separate and unequal." The Commission enjoined the nation to address pervasive residential segregation, including particularly the isolation of urban minority residents from the suburbs to which, increasingly, jobs were moving.¹

After the 1992 Los Angeles riot—according to some the worst urban riot in our history—we did not even appoint a new commission. It would have struck many as "redundant," it was said; there was a "weary familiarity" in the anger and despair that greeted journalists as they hit the streets of devastated areas to interview the mostly young, poor, minority, jobless protagonists.²

Today racial residential segregation remains intense³ and in many major cities concentrations of ghetto poverty, particularly black ghetto poverty, are growing.⁴ Fortune Magazine, hardly a journal of extremist social commentary, describes American society circa 1993 as consisting of an "Us"—"mostly white, ensconced in suburban comfort, full of plans and ambitions," and a "Them"—"mostly black and brown and yellow, mired in the mean streets of the inner city, future doubtful."⁵ Newsweek sounds a similar theme. Decades of racial progress, the magazine says, have given way to growing resentments on both sides of the color line that are savaging our politics, our schools, our communities, our lives. First among black resentments is: "Much of this [black] underclass lives all but penned up in projects and deteriorating ghettos . . . without any realistic prospect of escaping."⁶

The poor, it is said, have always been with us, and always will be. Perhaps so. But in many major cities unrelieved concentrations of impoverished, disproportionately black families, under the changed economic and social conditions of the post World War II years, appear to be a virulent new strain of the poverty disease that has become one of our most important domestic policy issues.⁷ Nicholas Lemann calls the urban underclass "the principle problem in American domestic life—a problem that poisons not just race relations but also our attitudes toward education, law enforcement, and city life itself."⁸ As Jason DeParle of the New York Times puts it,

"[T]he poverty and disorder of the inner cities lacerate a larger civic fabric, drawing people from shared institutions like subways, buses, parks, schools and even cities themselves . . . The increasing concentration of urban poverty undermines faith in Government as the instrument of the popular will, producing an epic tale of governmental breakdown told in terms of crowded clinics, failing foster care, ineffective law enforcement and burdened or neglected social services. Perhaps most damaging of all is the effect that urban poverty has on race relations. It is like a poison in the national groundwater that is producing a thousand deformed fruits, from race-based campaigns for public office to taxicabs that do not stop for black men at night."⁹

Even though most Americans (217 of 249 million) are not poor, and even though most of the 32 million poor do not live in urban ghettos, the Lemann and DeParle observations (and those of Fortune and

Newsweek) help to explain why urban ghettos are a problem for Americans out of all proportion to the number of persons who live in them.¹⁰

The evolution of our end-of-the-century form of the urban poverty disease has been charted by a number of observers.¹¹ With the end of legal segregation in the 1950s and 1960s, working- and middle-class blacks were able to flee inner-city ghettos (though frequently to communities which were or would soon become predominantly black), weakening institutions and stripping the ghetto of its mainstream role models. In the 1940s, 1950s, and as late as the 1960s, says William Julius Wilson, such blacks in ghetto communities provided stability and reinforced and perpetuated mainstream behavior patterns. Their departure left behind much higher concentrations of the most disadvantaged of the black population and removed an important "social buffer" that had helped keep alive the perception that education was meaningful, employment a viable alternative to welfare, and family stability the norm, not the exception.¹²

Then, during the 1970s and 1980s, northern cities lost dramatically large numbers of blue-collar and low-skill jobs. Simultaneously these cities also experienced large increases in their populations of young blacks with no education beyond high school, the offspring of those who had migrated to northern cities during the 1950s and 1960s when inner-city jobs requiring only limited education and skills were far more plentiful. As low-skill jobs dispersed to the suburbs or disappeared because of technological change, unemployed blacks were left in job-poor, inner-city locations.¹³

By 1980, the impact of these two developments was of "catastrophic proportions," leading to socially isolated communities characterized by high rates not only of joblessness but also of teenage pregnancies, out-of-wedlock births, single-parent families, welfare dependency, and serious crime.¹⁴ Whereas in 1960 most adults were working, even in poor black neighborhoods, such neighborhoods came to house few middle- or working-class families; the great majority of their adults was unemployed. Poor neighborhoods not organized around work, Wilson believes, constitute "the most fundamental and most significant change in the black community over the last several decades."¹⁵

For poorly educated youth in such inner-city areas the underground economy may seem to be the only option, an option that pushes their neighborhoods further along a downward spiral:

Large concentrations of those who have become dependent on the urban underground economy pose serious problems (crime, drug abuse, loitering, vandalism) that dissuade businesses from locating nearby and push out more economically stable families and others who eschew such behaviors. As a consequence, not only do local employment opportunities further deteriorate, reinforcing neighborhood economic decline, but also selective out-migration of more mainstream-oriented residents spatially isolates the most disadvantaged.¹⁶

John D. Kasarda places these ghetto-specific developments in a wider central city context which he terms the functional and demographic transformation of older, larger U. S. cities. "Functional transformation" refers to the cities' change from centers of production and distribution to centers of administration, information exchange and higher-skill service—with the attendant loss of blue-collar and low-skill jobs. "Demographic transformation" refers to the cities' population change in the post World War II years from predominantly white to heavily or predominantly minority. These transformations, Kasarda says, contribute to minority urban unemployment, to the spatial isolation of low-income minorities, and to rising levels of urban poverty and welfare dependency, accompanied by crime, poor schools, deteriorating infrastructures, and residential and commercial decay.¹⁷

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Calling Kasarda's "spatial isolation" by its rightful name of racial segregation, Douglas S. Massey makes the further point that bootstraps have been denied to blacks who are born and grow up in such ghetto communities. Residential mobility, according to Massey, has been the crucial avenue of social mobility in America, the central mechanism by which families improve socioeconomic prospects for themselves and their children. For most American ethnic groups, Massey says, socioeconomic mobility is a cumulative process: economic advancement (a better job, a raise) is translated into residential progress (a neighborhood with better schools, peer influences, social contacts, etc.), which in turn leads to additional socioeconomic gains (children receive better education and get better jobs). Americans appear to agree, for nearly three-quarters of them believe that a good neighborhood is more important than a good house.¹⁸ Yet this normal avenue for cumulative socioeconomic advancement is largely closed to blacks because of racial barriers to residential mobility.¹⁹

In addition, because blacks in general have lower incomes and higher poverty rates than whites, predominantly black neighborhoods are likely to have the highest concentrations of low income levels and poverty. Decreases in blue-collar inner-city jobs disproportionately affect such neighborhoods. The result is that growing concentrations of poverty reinforce themselves as increasing unemployment further drains income and erodes the ability of local businesses to survive.²⁰

Massey supports his thesis with analyses that point to racial discrimination—not income levels, black locational preferences, or any other reason—as the primary explanation for black residential segregation. But whatever the causal factors, pervasive racial segregation bars much of the black population from America's normal avenue to socioeconomic progress. Racial segregation, Massey concludes, is responsible for a "new, concentrated form of urban poverty," and is a primary structural factor behind the creation of the underclass.²¹

Enter housing policy. For if Massey is right, a major cause of our modern strain of urban poverty is the residential confinement of large portions of our minority poor, especially blacks, to Wilson's "neighborhoods not organized around work." Should it not be the office of housing policy to relieve that confinement by opening avenues of residential mobility that could lead to socio-economic advancement? (And, as we argue in Section III, to improved chances for "rescuing" at least some desolate inner-city neighborhoods through the community rebuilding process.)

Charging it with a mobility mission respecting the confined urban poor would merely be the most recent of numerous shifts in "housing policy"—temporary way stations for the depression poor; construction jobs; slum clearance; home ownership; a decent home in a suitable environment. From excluding welfare families and serving only the "aristocracy of the poor," to building concentrated enclaves for the very poor.²² From shelter as an end in itself, with public housing authorities barred from providing social services,²³ to mandating public housing authorities to foster "family self-sufficiency."²⁴ From rigid adherence to societal norms of racial separation²⁵ to desegregation.²⁶

Against such a varied background the Cisneros HUD Administration is plainly entitled to shape its own view of housing policy, and indeed may be ready to embrace the mobility mission. Secretary Cisneros has said that among HUD's highest priorities is to attack the "Extreme Spatial Segregations In Our Communities by Race, Class and Income," an attack which is to include "Mobility Strategies for People to Seek Opportunity" and "De-Concentration of Poorest Populations."²⁷ The question, of course, is how—and to that we now turn.

II. The Mobility Mission.

Chicago's Gautreaux Program is a starting point for a discussion of mobility. The program derives from a 1966 housing desegregation lawsuit by black public housing residents against the Chicago Housing

Authority and HUD. Following liability determinations, HUD has since 1976 provided Section 8 rental subsidies and funded a fair housing organization, the Leadership Council for Metropolitan Open Communities, to assist 300-400 public housing families a year to rent apartments in the private market throughout the Chicago metropolitan area in census tracts having a black population of under thirty percent.²⁸

Seventeen years and five thousand families later it appears that Gautreaux families who move to the suburbs do much better, economically and educationally, than Gautreaux families who move within Chicago. Studies by Northwestern University show that even though the Gautreaux Program involves little or no assistance in job placement, Gautreaux mothers who move to the suburbs are significantly more likely to find jobs than Gautreaux mothers who move within the city. The studies also show that Gautreaux children in the suburbs are more likely to remain in school, enter and graduate from college, and find jobs than their city counterparts.²⁹ The findings strongly suggest that moving to a better neighborhood—Massey's "crucial avenue of social mobility"—works for the ghetto poor. Indeed, albeit after many years, the Gautreaux findings eventually led HUD to pronounce that "living outside of an area of poverty by itself has positive effects for high-risk families."³⁰

In 1991-92, Congress finally responded to the Gautreaux experience and appropriated \$70 million from fiscal 1992 and 1993 funds for a "Moving to Opportunity" (MTO) demonstration in up to six large cities. The demonstration is modeled on Gautreaux but uses low poverty rather than freedom from racial impaction as its locational criterion.³¹ The fiscal 1992-93 appropriations will supply approximately 1,900 new Section 8 certificates and vouchers.³² For fiscal 1994, Congress greatly expanded MTO, appropriating \$164 million which should provide about 4,350 additional certificates and vouchers.³³

Under HUD's MTO guidelines (issued after long delay in August 1993) public housing families with children may enter the program if they live in a participating city's "high-poverty" census tracts—defined as tracts with a poverty population of at least 40 percent. Families selected from an MTO waiting list will be split randomly into three groups. The "experimental group" may move only to low-poverty census tracts—those with poverty populations of less than 10 percent. Experimental families are to receive intensive housing counseling services from a nonprofit organization working with the local housing authority. The services include aggressive recruitment of landlords, home visits to participating families, advice concerning the advantages of low-poverty areas, instruction and assistance in carrying out housing searches, and modest supportive services after a move is made. Section 8 "comparison" families will receive only the more limited counseling usually provided by the PHA to Section 8 participants; they are not restricted to low-poverty census tracts but may move anywhere. A second control group will not receive Section 8 subsidies at all, and most will therefore continue to reside in public housing. The demonstration is expected to get underway in mid-1994.³⁴

Gautreaux and MTO bristle with interesting questions. For example, what are the requisites for success? Landlord recruitment? Counseling? Housing search assistance? Post-move support? All of these? Some only? If so, which ones? At the threshold, however, we need to know (1) whether the favorable Gautreaux experience can be replicated in other metropolitan areas and, if so, (2) whether the Gautreaux/MTO approach can be "scaled up" to involve larger numbers of families.

As to replication, the Leadership Council's experience suggests that aggressive landlord recruitment, at least at the outset of a program, and effective housing search assistance by dedicated counselors, are the keys to successful Gautreaux-type administration. Gautreaux families receive: (1) thorough information about the Section 8 program; (2) an understanding of the potential advantages (especially respecting job and school possibilities) of moving to low-poverty areas; (3) detailed, relevant information about the metropolitan area; (4) instruction in "selling" themselves as good tenants to hesitant landlords; (5) housing search assistance, including transportation and instruction in search techniques; and (6) some post-move support services.

Performing these tasks well is a considerable challenge, even for an experienced, dedicated fair housing group such as the Leadership Council. Will there be enough such strong groups to “go around”? And even if there are, will other metropolitan areas have rental market vacancy rates as high as those in the Chicago area and as many landlords willing to rent to low-income, inner-city, minority families? (The Leadership Council has worked hard over a period of years to “open up” the Chicago area rental market to Gautreaux families; it might take a long time to match its record elsewhere.)

The scale-up issue also presents a challenging question: whether other areas—indeed, the Chicago area itself—could support far higher levels of such moves to low-poverty areas. The small Gautreaux Program has proceeded uneventfully; its families have encountered only modest levels of racial discrimination or harassment, and there has been virtually no government or community opposition. A substantial enlargement of the non-threatening Gautreaux numbers might alter this benign experience. Or a “ceiling” in available apartments might soon be encountered, either because of low vacancy rates or landlord attitudes. And even apart from these unknowns, it remains to be demonstrated that Gautreaux-type programs can be administered for much larger numbers of participating families without sacrifice of quality.

MTO may answer some of these questions, but MTO is limited to a few cities³⁵ and provides, initially at least, only a modest level of certificates and vouchers. MTO’s \$234 million authorization for 6,250 certificates and vouchers is but a small fraction of the total of about \$5 billion authorized in fiscal years 1992 through 1994 for some 145,000 units of additional Section 8 assistance.³⁶ And its ten-year evaluation period is a long time to wait to determine the potential of the Gautreaux mobility approach.

The central policy question may be framed this way: Can Gautreaux-type mobility administration be successfully infused into conventional Section 8 programs run by public housing authorities, so that all or some large portion of families receiving Section 8 certificates and vouchers may be afforded a realistic opportunity to move to better neighborhoods?

Dallas offers something of a case study suggesting an affirmative answer—that, if mandated to do so by HUD and/or Congress, public housing authorities (not just nonprofits) can operate successful mobility programs on a large scale. A 1987 consent decree settling a challenge to segregation in the Dallas Housing Authority’s public housing and Section 8 programs required DHA to take the following steps, among others, in its Section 8 program: (i) establish a housing mobility division with a staff of at least six; (ii) assure that within three years 50 percent of DHA’s Section 8 families would live in census tracts where fewer than 10 certificates were in use as of the date of the decree (“non-impacted areas”); and (iii) assure that within three years 15 percent of DHA’s Section 8 families would live in the suburbs.³⁷

To administer the six-person mobility division, DHA transferred a budget analyst with a strong financial and real estate background. Within six months DHA promoted him to run the entire Section 8 program, backed by a staff of 18, including 12 counselors. As required by the consent decree, the Section 8 office contacted all DHA public housing and Section 8 families. At convenient locations, including all DHA developments, counselors ran briefing sessions and distributed information packets on the Section 8 program and the “portability” of certificates and vouchers throughout the Dallas metropolitan area. Many existing Section 8 units were inspected and found to be in violation of housing quality standards, which helped persuade residents to move. Simultaneously, counselors contacted hundreds of landlords and established an extensive list of apartments available to Section 8 families in non-impacted areas. Counselors “signed up” many landlords by presenting Section 8 families as an asset—families, trying to improve their lives, who carried with them a guaranteed rent stream. Interested families were provided van transportation to visit available units.³⁸

In a little over two years the Section 8 office moved substantially toward the court-imposed targets by assisting about 2,200 mostly black families to move to non-impacted areas,³⁹ and progress continued thereafter. Whereas in February 1987 only five percent of DHA's 3,000 black Section 8 families lived in non-impacted areas and virtually none lived in the suburbs, by August 1993 some 62 percent of DHA's 4,300 black Section 8 families lived in non-impacted areas, including 16.3 percent in the suburbs.

Although the consent decree's targets were not stated in racial terms, the racial results were also impressive. In February 1987, some two percent of black Section 8 families lived in census tracts with a minority population less than 30 percent, a figure that rose to 17 percent by November 1991. And while in February 1987 some 87 percent of black Section 8 families lived in census tracts with a minority population greater than 70 percent, only 51 percent did so by November 1991.⁴⁰

Unhappily, once DHA met its targets the Section 8 office was severely cut, its director lost his position, and the commitment to mobility disappeared. The Dallas experience does indicate however that public housing authorities can provide meaningful mobility administration if they are mandated to do so, have numerical goals, and are carefully monitored.⁴¹ The experience also suggests that Chicago is not the only metropolitan area in which landlords with little or no assisted housing experience can be persuaded to rent apartments to low-income black families from the inner city. Smaller programs in Cincinnati, Memphis, and Hartford, and a larger Massachusetts program focused on the homeless, provide additional grounds for optimism on that score.⁴²

How then might HUD and/or Congress "experiment" with the Gautreaux experience, without waiting a decade for MTO results, to determine whether PHAs could be persuaded or required to run effective mobility programs, and learn the extent to which rental markets could absorb a scaled-up MTO-type Section 8 program? An initial step would be for HUD to mandate immediately what the law already demands—"affirmative administration" of all Section 8 programs.

Existing law requires that housing assistance programs be affirmatively administered to achieve fair housing purposes.⁴³ HUD has been notoriously lax in implementing this statutory requirement,⁴⁴ and Section 8 programs have as a result generally functioned in all-too-familiar racially separatist patterns.⁴⁵ HUD could, and should, immediately mandate affirmative administration of all Section 8 programs and define such administration along the lines of Attachment 1 of its MTO Notice, which requires the kind of "Gautreaux-type" landlord recruitment and counseling and housing search assistance procedures already described. Such a mandate, seriously monitored and enforced by HUD, would move us to some extent in the right direction.⁴⁶

A further step would be for Congress and HUD to change the free choice nature of the Section 8 program along MTO lines so that most or many new certificates and vouchers could only be used to move to low-poverty areas. (Most or many rather than all because some metropolitan areas may have few or no high-poverty areas, because realistically some certificates and vouchers would have to be available for families who did not desire to leave their high-poverty communities, and because some certificates and vouchers should be available for the mixed-income, inner-city revitalization projects discussed in Section III below.) The argument for such a step would be that the nation has a limited supply of Section 8 funding and an out-of-control urban poverty problem which persuasive analysis indicates is caused in significant degree by racial and economic concentration. If Congress and HUD really want to ameliorate that concentration, why continue to allow scarce Section 8 resources to be used in ways that feed it?⁴⁷

Nor is it only the cost of the Section 8 subsidies that is involved in the "feeding." Public housing authorities receive hefty administrative fees for operating Section 8 programs. By statute, for each month a

unit is covered by a Section 8 contract housing authorities receive a percentage of the unit rental, plus a one-time "preliminary fee" of up to \$275 per family.⁴⁸ These fees are generous enough to have enabled some PHAs to build up big "reserves," which PHAs have used for non-Section 8 purposes,⁴⁹ even though under HUD requirements the fees are supposed to be used first and foremost to produce "effective" Section 8 programs.⁵⁰

Suppose, then, that most or many Section 8 certificates and vouchers were usable only in low-poverty census tracts. Since administrative fees are paid only for certificates and vouchers actually used, PHAs would lose fees to the extent their "earmarked" certificates and vouchers were not used. HUD might even take away the right to administer the program—and turn it over to nonprofits such as the Leadership Council—if a minimum percentage of low-poverty area certificates and vouchers were not used within a prescribed time. Under such a regime, PHAs might well begin to perform as the Dallas Housing Authority did. The substantial reserves built up with Section 8 administrative fees suggest that in many places little extra funding would be required in connection with such a revised Section 8 program.

Imagine, in other words, that Congress and HUD set aside a portion, say two-thirds, of all Section 8 certificates and vouchers for "anti-poverty moves," usable only in low-poverty areas. While preserving Section 8's freedom of locational choice philosophy for a substantial number of participating families, the set-aside would earmark most of our new Section 8 certificates and vouchers for poor families wishing to move out of high-poverty areas. Moves would be voluntary because, as in MTO, only families willing to move to low-poverty areas would receive the "low-poverty area" certificates and vouchers; families not desiring to make such moves would remain on the waiting list for "regular" certificates and vouchers. In addition, Congress could revise the Section 8 administrative fee schedule to offer the incentive of sharply higher administrative fees for certificates and vouchers used in low-poverty areas, while lowering the fees for certificates and vouchers used in high-poverty areas.⁵¹

Variations on this approach can be imagined. For example, the requirement that some proportion of certificates and vouchers be earmarked for low-poverty areas might apply only in metropolitan areas with poverty concentrations above a minimum level. The essential argument is that Congress and HUD should begin now to change the conventional Section 8 program—the nation's largest assisted housing program—into a mobility program that might make a real contribution to ameliorating our urban poverty concentrations. Over the last four years (fiscal years 1991-94) Congress has funded approximately 50,000 new Section 8 certificates and vouchers per year. If this were increased to 90,000 per year, with two-thirds required to be used in low-poverty areas (the increase would be justified not solely on the grounds of providing more badly needed housing assistance but of directly attacking urban poverty by enabling ghetto families to move to better neighborhoods), in a decade up to one-third of our roughly 1.8 million poor ghetto families could be offered an opportunity to escape their ghetto environs, a substantial goal.⁵²

We have not experienced a migration of the poor from ghetto neighborhoods on such a scale, so we do not know whether an exodus of this magnitude would be possible. The goal might not be reached because of insufficient numbers of available apartments at below fair market rents in low-poverty neighborhoods, or of landlords willing to rent to Section 8 families, or of ghetto-dwelling poor families wishing to leave their neighborhoods, or because of the inability of public housing authorities to administer programs effectively (and of HUD to monitor them) on such a scale. Apart from these "technical" concerns, the sheer numbers involved might generate political problems. On the other hand, based on both the Gautreaux and Massachusetts experiences, initial success might breed more success.⁵³

The suggested increase in the level of Section 8 funding would be costly. But if Gautreaux-type results were achieved, the cost-benefit calculus, including avoided costs to the criminal justice and welfare systems and increased education and skill levels of the families involved, would undoubtedly be very positive.

Arguably, the encouraging Gautreaux and Dallas experiences, coupled with the awesome deterioration of life circumstances in so many of our inner-city ghetto neighborhoods, make it a moral imperative for us to try.

Moral imperative? Consider Dantrell Davis, a seven-year-old resident of the Chicago Housing Authority's Cabrini Green development, slain by a sniper while walking with his mother to school.⁵⁴ Consider also Jason Bronough, formerly a resident of another CHA project, recently by virtue of the Gautreaux Program a fifth grade honor student in the Chicago suburb of Hoffman Estates. Jason studies the flute and was featured on a CBS Sixty Minutes program on Gautreaux.⁵⁵ Dantrell and Jason are extreme examples, but if we can give at least some of the Dantrells of our ghettos the opportunities given Jason, does it not implicate a moral question if we decline to do so?⁵⁶

It is sometimes argued that Gautreaux-type mobility programs "cream" inner-city communities of their most motivated residents, thereby prejudicing the ability of such communities to revitalize themselves. It is easy to overstate the creaming argument.⁵⁷ Apart from that, if society is able through mobility programs to give families opportunities to escape their ghetto circumstances, who has the moral authority to withhold those opportunities because someone (who?) has decided it is preferable for families to stay put and help rebuild their communities?

It is occasionally asserted that "sending" black ghetto families to white communities in large numbers threatens black culture.⁵⁸ Yet Italians, Jews and Poles, among many others, have survived, culturally speaking, far more assimilation than African Americans are likely to experience. It seems almost absurd to contend that in the hypersegregated conditions in which most African Americans live in America, their strong, resilient culture need have any concern about the number of Jasons who under any conceivable scenario will move to Hoffman Estates. Near the end of the *Sixty Minutes* show on the Gautreaux Program several (now grown) Gautreaux children speak of their moves back to black or integrated neighborhoods in Chicago after some years in white suburbia. They now desired a richer black community life but felt that their Gautreaux years were crucial to their development.

Other approaches to mobility appear to lack the potential of a revamped Section 8 program. Anthony Downs has long argued that suburban land use barriers to affordable housing must be attacked but, as Downs acknowledges, it is unlikely that state and local governments can be persuaded to mount the attack vigorously.⁵⁹ Building scattered site public housing in low-poverty suburbs cannot be done by central city public housing authorities because federal law requires consent from the suburban jurisdictions, a political impossibility.⁶⁰ Building such housing in low-poverty communities of the central city (or in the suburbs through suburban housing authorities) is extremely difficult. Problems of land availability and cost as well as local community opposition are likely to limit severely the scale of such efforts.⁶¹

Mark Alan Hughes argues for another type of mobility—enabling inner city residents to gain access to suburban jobs through special van and bus transportation programs. Hughes contends that such an approach would provide jobs to the inner city poor and help suburban employers obtain the low wage workers they need.⁶² Though helpful to an extent, and surely to be fostered as much as proves feasible, the Hughes approach alone will not directly alter the impact of the ghetto's segregation, crime, and inadequate schools and health care on its residents. In addition, transportation to suburban jobs may encounter serious scale limits as it faces the logistical difficulties of attracting and transporting workers from different residential neighborhoods to scattered, distant employment locations through rush hour commuter traffic.⁶³

Of course, none of these approaches is incompatible with a Section 8 program revised to foster mobility. Given the scope and severity of the problems faced by the ghetto poor (and, derivatively, the rest of

us), we cannot afford to overlook any program that promises some amelioration of those problems by providing the ghetto poor, in Anne Shlay's nice phrase, with "the 'stuff' of upward mobility."⁶⁴

III. Mixed-Income Revitalization

It is surprising how many analysts would like to see a mobility strategy tried. After canvassing possible solutions to the ghetto poor problem Ellwood says the "obvious" answer is integration—"One should move poor people into rich neighborhoods . . ."⁶⁵ "For the ghetto kid," says Lemann, "making it, 99 percent of the time, goes with getting out of the ghetto."⁶⁶ Adds Harvard's Gary Orfield, "Get them out of the ghettos. This is the most powerful way."⁶⁷

But even a large and successful housing mobility program could not be our sole housing policy response to urban poverty. Many poor families in ghetto neighborhoods will not want to move out or, because of scarce assisted housing resources or for other reasons, will not be able to.⁶⁸ Is there a way housing policy can help change at least some ghetto neighborhoods into viable communities, economically and socially?⁶⁹

The attraction of "community development"—revitalizing ghettoized inner-city neighborhoods—is considerable. Ghetto residents need hope; the possibility of rebuilding their communities may supply it. Cities need revitalizing; the prospect of renewing desolate neighborhoods offers it. Democracy requires a strong citizenry; community-based citizen organizations, engaged in community rebuilding, simultaneously build strong citizens. No wonder community rebuilding is the darling of philanthropy, and a growing national movement supports community-based housing and economic development efforts.⁷⁰

But cautions are in order. Hughes reminds us that powerful market forces have been shifting jobs from central cities to suburban and exurban areas.

Two out of three new jobs in large metropolitan areas are located outside of the center. In many metros, outer areas are gaining jobs three times as fast as residents . . . [The suburbs] are increasingly the engines of metropolitan employment growth, and not just a good place to raise kids . . . The inner city was once accessible to employment. The ghetto was a part of an urban machine that created opportunity. Now that machine is broken for many poor and black people, with its parts spread across the vast metropolitan landscapes.⁷¹

Hughes questions whether we should attempt to rebuild inner-city employment in the face of these macro economic forces "pointing" to the suburbs, while "hold[ing] hostage the fortunes of inner-city residents to our ability to do so."⁷²

A recent thoughtful analysis reviews the history, the state of our knowledge and research, current programmatic ideas, and the political atmosphere respecting the core of the urban poverty problem: joblessness among black men below the poverty line in inner cities. The authors emerge with reasons for "cautious optimism,"⁷³ but their essential message is that long-term joblessness in inner-city poverty neighborhoods has "deep roots and multiple causes," that solutions are "far more elusive than they first appear to be," and that experimentation, careful evaluation and underselling any proposed new programs are essential.⁷⁴ The green grass is obviously seen in distant, not close-in, fields.

Kasarda puts it more strongly, calling proposals (such as enterprise zones) for rebuilding the historic employment bases of declining central cities "as unrealistic as they are nostalgic." Subsidies, tax incentives,

relief from regulatory requirements, and the like, Kasarda says, "are not nearly sufficient to overcome technological and market-driven forces redistributing blue-collar jobs and shaping the economies of the major cities."⁷⁵

One of the most talked about current approaches to rebuilding inner-city neighborhoods is the enterprise zone. But our enterprise zone experience affords little ground for optimism; its record is decidedly mixed, a description that is probably charitable.⁷⁶ Although we may hope that the Clinton version, "empowerment zones," will be more successful (in the face of what Lemann calls "remarkably lukewarm endorsements" from many of the very people who dreamed them up),⁷⁷ the persistent power of the macro forces behind the blue-collar jobs shift counsels skepticism.

A look at the grandfather of community-based inner-city rebuilding efforts may be instructive. The Bedford-Stuyvesant Restoration Corporation was founded in 1967 when Senators Robert F. Kennedy and Jacob K. Javits crafted an amendment to the Economic Opportunity Act of 1964 that provided the public money, about \$4 million per year on average between 1967 and 1982, to get Restoration started.⁷⁸ Over the ensuing quarter century, through heady ups and depressing downs, Restoration has not only survived but has rung up an impressive list of accomplishments—including, among others, over two thousand housing units constructed and rehabilitated with local labor, a mortgage pool that has provided \$60 million to local homeowners, an IBM facility employing 400 people, a new supermarket, and Restoration Plaza, a complex containing a theater, an art gallery, classrooms, and health facilities. The accomplishments are impressive in two ways—the stabilization of a neighborhood, which otherwise might well have seriously deteriorated, and the benefits to thousands of individual families. During the 1980s, when the percentage of New York City residents receiving public assistance rose, the percentage in Bedford-Stuyvesant dropped (from 32.5 to 27.6 percent).⁷⁹

Other community rebuilding efforts have fared less well. In the South Bronx, massive expenditures, including approximately \$1 billion of public and private funding for housing between 1981 and 1992, have produced a patchwork of impressive achievements and areas still in dire need of assistance. Several thousand units of housing have been completed or are in the pipeline (most of them single family homes), a retail center has opened, and a decline in population that began in the 1950s has halted. Yet, notwithstanding these achievements, the 1990 poverty level hovers dishearteningly around 40 percent, just about what it was a decade earlier, and the community is "still struggling with the intractable problems of drugs, crime and unemployment."⁸⁰

A notable community revitalization effort nearing its fifteenth birthday is the Bethel New Life group of programs in Chicago's West Garfield Park community. Church-based, in a deeply impoverished neighborhood, Bethel is engaged in a dizzying array of activities—housing construction and rehabilitation, employment training and job placement, an adult day care center, a recycling center, a holistic health center, a school, and much more. Like the South Bronx, however, after 15 years of remarkable achievement, West Garfield Park remains impoverished, prey to widespread violence and drug activity, swimming steadfastly but upstream.⁸¹

Even in "successful" Bedford-Stuyvesant, after 25 years both the achievements and the prospects have a sober side. An article commemorating Restoration Corporation's quarter century of struggle concludes with a quotation from a neighborhood resident which resonates with Hughes' tones about macro forces and jobs. Acknowledging that Bedford-Stuyvesant is a "nice, safe place," the resident says,

"But people still feel oppressed here for the simple reason that they want things for their children and there are no jobs. We all know there is still a long way to go."⁸²

The poignancy of “oppressed” and “no jobs” and “long way to go” is great, coming as it does from what is arguably the showcase of grassroots community revitalization activities after 25 years.⁸³

One would like to sound more sanguine about inner-city revitalization prospects. Some do. John L. McKnight of Northwestern University has for years contended eloquently that inner-city communities have untapped human and financial “capacities” which, effectively marshalled, could bring about community revitalization. McKnight is not naive; he fully understands Hughes’ point:

No one can doubt that our older cities these days are deeply troubled places. At the root of the problem are the massive economic shifts that have marked the last two decades. Hundreds of thousands of industrial jobs have either disappeared or moved away from the central city and its neighborhoods. And while many downtown areas have experienced a “renaissance,” the jobs created there are different from those that once sustained neighborhoods. Either these new jobs are highly professionalized, and require elaborate education and credentials for entry, or they are routine, low-paying service jobs without much of a future. In effect, these shifts in the economy, and particularly the removal of decent employment possibilities from low-income neighborhoods, have removed the bottom rung from the fabled American ‘ladder of opportunity.’ For many people in older city neighborhoods, new approaches to rebuilding their lives and communities, new openings toward opportunity, are a vital necessity.⁸⁴

In McKnight’s view the “new openings” are the individual capacities and resources of residents (their skills, talents, personal income and assets, and their community institutions) and the resources of government and private organizations which are located within, or brought to bear from the outside upon, the community.

With its capacities identified, McKnight says, the community must form a local development corporation to focus those capacities on the community revitalization process. There then must ensue a “broad-based process of community planning and decision-making,” followed by the task of assembling the “many additional resources” that are needed, something McKnight terms “constructing bridges to persons and organizations outside the neighborhood.”⁸⁵

A major revitalization effort in Baltimore’s Sandtown-Winchester community illustrates at least a part of McKnight’s vision. With strong “bridges” built to the Enterprise Foundation, a community revitalization vehicle created by urban developer, James Rouse, and to City Hall, where Mayor Kurt Schmoke is an enthusiastic supporter and supplier of resources, the depressed, poverty-stricken Sandtown-Winchester community has gone through a three-year neighborhood planning process to produce an ambitious “battle plan” for transforming the community. The plan embraces not merely physical rehabilitation but economic development, job training, drug treatment, preventive health care, community policing, pre-school education and improved schools.⁸⁶ A community-based corporation has been created to govern the process. Enthusiasm runs high, and the unique combination of Rouse and Schmoke appears to justify it. Yet veteran urban affairs observer, Neal R. Peirce, cautions that the statistics underscore “the long and tough road ahead”:

Forty-nine percent of residents live in poverty, 79 percent in substandard housing. Drug use is rampant, 90 percent of births are to unmarried women, and the murder, assault and armed robbery rates are among Baltimore’s worst. Neighborhood schools are so abysmal that 20 percent of high school students drop out each year.⁸⁷

At best “rebuilding” or “revitalizing” inner-city poverty neighborhoods is thus a difficult, multifaceted, long-term undertaking. Macro economic policies or intensive community economic development projects must provide jobs for the jobless.⁸⁸ Job training must help qualify the unskilled for the jobs.⁸⁹ Improved urban public schools must provide an educational bedrock for this work force.⁹⁰ Comprehensive, integrated children and family health and social services must be available early enough (before and during pregnancy) and intensively enough to prevent children from being so damaged in their preschool years that they are disabled from learning by the time they reach the kindergarten door.⁹¹ Welfare policy must provide incentives for economic independence, not encourage dependency.⁹² The plague of guns and drugs must be eradicated lest it undermine all else that is done.⁹³

Suppose, however, empowerment zones or some other major revitalization effort, such as Sandtown-Winchester, do succeed here or there. Sandtown, with its several years devoted just to planning, and Bedford-Stuyvesant, South Bronx and Bethel New Life, all show that even when massive resources are attracted “success” lies decades down the road. Moreover, harsh demographic facts almost certainly preclude widespread replication of individual revitalization success stories. In Chicago, whose 1990 poverty rate is below the average of the 22 largest U.S. cities, six of the city’s 77 community areas have poverty rates above 50 percent, while another six have rates between 40 and 50 percent and six more fall between 30 and 40 percent.⁹⁴ It is almost inconceivable that the enormous resources, political will, and community organizing miracles needed to truly revitalize each of these community areas could be marshalled simultaneously. (In Sandtown, a deliberate focus on a single “demonstration” community drained resources that would normally have been spread among more neighborhoods.)

It is in this sober context that we approach the question of how housing policy can be used most effectively to help transform—for we are plainly not talking about a task that can be accomplished by housing policy alone⁹⁵—at least some inner-city ghettos into viable communities. The answer may be to change our goal (from which much else will follow)—from the goal of revitalizing a poverty community to the very different goal of transforming a poverty community into a mixed-income community. Yes, one may hope that successfully revitalizing a poverty community will eventually produce higher incomes for its residents. But “eventually,” as Bedford-Stuyvesant shows, means a very long time.⁹⁶ Meanwhile, revitalization activities are focused exclusively on the poor, or nearly so. Job training and drug treatment are for present poverty residents. Housing is for the poor. The effort is to empower a poverty population to transform itself into a viable community—a “daunting” task (McKnight’s word).⁹⁷

The alternative we suggest is that instead of asking a poverty community to transform itself, policies and programs should deliberately include those elements and activities that will attract some working, non-poor residents to the community. Success in this regard would have the crucial consequence of enabling the poor to live among the non-poor, thereby ameliorating the disadvantages of poverty concentrations discussed by Wilson, Massey, Kasarda, and the other observers who tell us, over and over again, that concentrations of impoverished families — neighborhoods housing none but the non-working poor—lie at the core of our urban ghetto problem.

Recall Wilson’s discussion of black communities which lost their working and middle-class populations. Before the loss, Wilson says, basic institutions (churches, schools, stores, recreational facilities, etc.) remained viable even in periods of economic downturn. The presence of working and middle-class families provided mainstream role models. A ghetto youngster in such a neighborhood would observe many individuals regularly going to and from work, would be aware of many married-couple families, would see families who were not on welfare, would recognize that many residents were not involved in criminal activity.⁹⁸

Once such families leave, however, those who remain experience a "social isolation" that excludes them from the informal job network system. Children seldom interact on a sustained basis with people who are employed or with families that have a steady breadwinner, adversely affecting the development of educational and job-related skills. "[T]eachers become frustrated and do not teach and children do not learn. A vicious cycle is perpetuated through the family, through the community, and through the schools."⁹⁹ Sustaining basic institutions becomes difficult. "And as the basic institutions declined, the social organization of inner-city neighborhoods (. . . includ[ing] a sense of community, positive neighborhood identification, and explicit norms and sanctions against aberrant behavior) likewise declined."¹⁰⁰

"Concentration effects" is Wilson's term for these negative consequences that overwhelm socially isolated poverty communities, in contrast to what he terms the "ecological niches" occupied even by poor black children who live in a "stable, vertically class-integrated inner-city community" that exposes its residents to conventional role models, marriageable partners, and a jobs network.¹⁰¹

If Wilson is right, the housing component of revitalization strategies should strive to change the residential composition of impoverished communities, thereby to offer their resident families an alternative to such isolating poverty concentrations and exposure to working family influences. Housing programs should be designed to create an environment and to provide housing in currently devastated neighborhoods that will break the uniform poverty pattern by attracting working families with higher incomes. To make that goal realistic, the housing must generally be near an existing amenity, such as an attractive waterfront, or employment and/or cultural opportunities, such as a university, medical center or central business district. Bargain rents may have to be part of the inducement, at least initially, coupled with rent ceilings so that families with rising incomes will remain. And of course the housing component of a revitalization plan must be just that—one component of an overall plan that includes social and economic development elements. (We are talking about adding the mixed-income objective to the other elements of a community revitalization strategy, not deleting any of those other elements.)¹⁰²

To illustrate a mixed-income approach to community revitalization we may look to the Chicago Housing Authority's HOPE VI application, designed to change radically CHA's infamous Cabrini-Green development. HOPE VI is an Urban Revitalization Demonstration enacted by Congress in 1992 to address concentrated urban poverty in neighborhoods surrounding public housing projects.¹⁰³ The Demonstration grew out of recommendations of the National Commission on Severely Distressed Public Housing, established by Congress in 1989 to figure out how to eliminate "unfit living conditions in public housing projects determined by the Commission to be the most severely distressed."¹⁰⁴ In creating the Commission, Congress noted that distressed developments "often occupy sites of a size or value which could not again be assembled for affordable housing and, thus, are a potentially valuable public resource."¹⁰⁵

HOPE VI follows the Commission's recommendations to create a program that would devote large grants, up to \$50 million, to the revitalization of small areas, not to exceed 500 units of public housing. The program also requires that substantial resources (up to 20 percent of the grant) be devoted to supportive services and economic development, and encourages private and nonprofit participation in all aspects of the program.¹⁰⁶

Cabrini-Green is a quintessentially disadvantaged inner city place. Its 7,000 official residents, almost all of whom are African-American, have an average per capita income under \$2,400. In 1992 one serious reported crime occurred for every ten residents. Many of its 3,600 units, 3,000 of them in 23 high-rise buildings, are in a state of advanced decay. Some 30% are vacant even though the CHA has a waiting list of thousands.¹⁰⁷

Yet Cabrini also lies within walking distance of some of Chicago's most affluent commercial and residential neighborhoods. Over the years these areas have steadily expanded toward the development so that, even though residents remain socially isolated, Cabrini now lies cheek-by-jowl with thriving communities and in the path of expansionist market forces.

The centerpiece of CHA's HOPE VI proposal for Cabrini is the demolition of several of its high-rise buildings, although some \$11 million is to be devoted to supportive community services and CHA plans to modernize Cabrini's community center and establish a local business incubator nearby. To replace many of the units marked for demolition, CHA proposes a mixed-income strategy: privately developed and owned housing in and near Cabrini, some of it on land leased for long terms by CHA, would contain a mix of 25 percent public housing tenants and 75 percent working or middle-class families. The remaining replacement units would take the form of Section 8 certificates and vouchers affirmatively administered, i.e., the mobility option, and scattered site public housing. (To deal with tenant skepticism regarding promises of replacement housing and rumors of a "land grab" directed at the "potentially valuable public resource" of Cabrini's strategically located real estate, CHA proposes to build some scattered site public housing even before demolition begins and to retain fee ownership of most Cabrini land.)

The Cabrini replacement housing strategy thus has elements in common with the hopeful new initiative of CHA's Lake Parc Place, prototype for the Mixed Income New Communities Strategy (MINCS). Enacted as part of the National Affordable Housing Act of 1990, MINCS authorizes demonstration efforts to bring about economic integration in public housing.¹⁰⁸ Lake Parc Place consists of two public housing high-rises on Chicago's south lakefront, not far from the University of Chicago on the south and hospitals and the central business district on the north. Both buildings have been totally rehabilitated into a flagship development in the context of a larger community revitalization plan. The buildings contain amenities not found in other CHA high-rises, such as showers, ceiling fans and real wood cabinets. Although all black, half of the tenants are working class families—postal workers, ambulance drivers, security guards, local government employees—and half are traditional CHA families screened, however, by a committee that includes tenant representatives. Demographics for the two groups differ significantly: nine percent of the public housing families, but forty percent of the working families, are two parent families; average annual income for the former is \$5,567, for the latter \$24,471.

Lake Parc Place seems to be faring relatively well in its first several years, at least as compared with typical public housing concentrations of poverty. Crime has been reduced. The private manager hired to manage the buildings says that the working adults provide good role models for the children in the development. He recounts a call from a public housing tenant telling him that every morning her children heard the people next door getting ready for work. She was not calling to complain about the noise, as the manager had anticipated, but instead wanted to share her joy at being able to explain to her small children that their neighbors were getting ready for work.¹⁰⁹

The crucial threshold step for both MINCS and CHA's Cabrini plan is the creation of a mixed-income tenancy. Indeed, MINCS requires privately developed units, which must also be mixed-income (one-quarter rented to CHA), to compensate for Lake Parc Place's withdrawal of units from the public housing stock. In exchange for the promise of better life circumstances in such units, public housing tenants who enter the privately developed MINCS housing must remain crime- and drug-free and undertake extensive counseling and training, the head of a household must not be voluntarily unemployed, and all household members must be in school or working.

Mobility may be an important part of the strategy for taking the mixed-income threshold step. In many contexts reducing dense concentrations of impoverished families could be a vital element in attracting working

families to residency. CHA's Cabrini plan proceeds on just this premise. HOPE VI permits up to one-third of the replacement units for demolished public housing to take the form of Section 8 certificates and vouchers. Vincent Lane, CHA's chairman, proposes to have these Section 8 subsidies administered by the Leadership Council in a "Gautreaux manner." The result is likely to be a movement of some Cabrini families to other communities, a lessening of the concentration of impoverished families that will enhance the possibilities for redeveloping the environs of the demolished buildings into an economically integrated neighborhood.¹¹⁰

The goal of the HOPE VI Cabrini plan is what Lane calls a "normal neighborhood." Working families, he hopes, will be willing to move to the Cabrini area because of the attractiveness of Chicago's Near North Side neighborhood and because of relatively low rents made possible by URD funding. Cabrini families choosing to remain in their present community, who now live in aging high-rises where virtually everyone is on welfare and a gang is the most organized local entity, will be able to move but a short distance to a street where many or most residents are working.¹¹¹

Such a vision is the kind of comprehensive neighborhood revitalization strategy, designed from the outset to produce a mixed-income community, which can justify the use of scarce housing resources in presently impoverished neighborhoods. It is likely to work only where geography and amenities (existing or to be provided) make the prospect of mixed-income residency a reasonable gamble. Even then it is not a strategy for bringing blue-collar jobs back from the suburbs, although it may create some entry-level service jobs in connection with new local commercial activity. Neither is it a vision of Shangri-La, as the much-discussed case of Chicago's South Shore neighborhood illustrates. South Shore was saved from becoming a ghetto by the remarkable "development banking" efforts of the Shorebank Corporation which have given the neighborhood a strikingly revitalized housing stock. Yet, even though South Shore was and remains a mixed-income community, it continues nonetheless to struggle against poverty, unemployment and crime.¹¹²

What a mixed-income revitalization strategy can do, however, is crucially important—it can begin to break down the social isolation of the ghetto, to expose families to some conventional role models, to generate pressures against aberrant behavior. It can begin, in short, to form Wilson's "ecological niche."¹¹³ When targeted at appropriate neighborhoods, and coupled with comprehensive social and economic initiatives planned from the "bottom" up as McKnight counsels, such a use of housing resources makes sense as part of the effort to transform an impoverished inner-city neighborhood into a viable community. We consider the rest of what must be done in the final section of this paper.

IV. The Rationale

Our twin housing policy prescriptions of fostering mobility and mixed-income neighborhoods (really the single prescription of enabling the concentrated, isolated ghetto poor to live among the working, non-poor) should be rooted in broader thinking about how to deal with urban poverty. We may begin with a neat summary by Jason DeParle of four schools of thought within which remedial ideas on ghetto poverty tend to cluster.¹¹⁴

An "Empowering Approach," pushed strongly in the Bush Administration by HUD Secretary Jack Kemp, supports an array of policies—e.g., enterprise zones, home ownership incentives and dramatically increased personal income tax exemptions—to foster "entrepreneurial capitalism" and "unleash the pent-up talents and potential of our people."

A "Social Approach" argues for an expanded network of traditional but upgraded social services. Lisbeth Schorr's influential book, *Within Our Reach*,¹¹⁵ contends that many of our much-maligned poverty

programs in fact produce positive results, and that our task is to “scale up” successful programs to match our needs.

A “Welfare Reform Approach,” exemplified by New Republic editor Mickey Kaus’ book, The End of Equality,¹¹⁶ believes that no anti-poverty strategy will work without a complete replacement of the welfare system that directs people out of dependency and into employment. We must “change the material basis for the culture of poverty,” Kaus argues. “Everything else is tinkering.”

An “Economic Approach” contends that urban poverty has its source in economic forces, particularly the loss of well-paying industrial jobs in central cities, and that the remedy—as Wilson argues—lies in full employment policies, including job training and relocation programs, and ultimately government jobs where necessary.¹¹⁷

It is not our purpose, nor within our competence, to try to design the “right” mix of anti-ghetto policies. Perhaps many theorists would agree that all four approaches, far from being incompatible, need to be employed simultaneously and coherently. Work, however, is central to each of the four schools of thought. Gainful work is the object of much of welfare reform and empowerment theorizing, and—as Schorr acknowledges—a predicate of the social approach. R. C. Longworth, the Chicago Tribune’s astute observer, writing of “two nations—one with jobs, one without,” says it is work that “takes a person out of the ghetto and into the life of the first nation.” His article quotes Dr. Franklyn Jenifer, President of Howard University, “The heart of this is jobs, jobs, jobs,” and William Julius Wilson, “If you want to get people more involved in the mainstream, then you have to give them access to jobs in the mainstream economy.”¹¹⁸

Wilson speaks not only of job creation, but of education, health insurance, child support guarantees, job training, and the like. This array of policies must be understood as his subtext when he says,

I really believe that if you increase educational opportunity and employment opportunity, a lot of the social problems would disappear. If all of a sudden people see they have some chance of moving out of their situation, then their behavior changes.¹¹⁹

“[S]ome chance of moving out of their situation” has psychologic as well as geographic connotations. Kasarda has a delightfully antiseptic phrase for what he calls the welfare economies of many of our cities: “subsistence surrogates for their declining production economies.”¹²⁰ What, Kasarda asks, keeps minorities in central cities when the blue-collar jobs are gone or going? Why don’t they move to where the jobs are, as their forebears did in the first half of the century from the south to expanding northern cities? “How are economically displaced inner-city residents able to survive? What . . . is the economic substitute for traditional blue-collar jobs?”¹²¹

“Imagine,” Kasarda challenges us, “what would have happened in the first half of this century if the great numbers of structurally displaced southerners who migrated to economically expanding northern cities in search of jobs and a better life had been sustained in their distressed locations by public assistance.”¹²²

Kasarda offers a five-part answer to his what-keeps-minorities-from-moving-to-where-the-jobs-are question. In addition to welfare, he identifies discrimination, insufficient low-cost housing in employment growth areas, inadequate transportation to such areas, and “deficiencies” in technical and personal skills necessary to obtain and hold jobs.¹²³

Discrimination is a major, persisting problem. But discrimination, both in housing and employment, was hardly absent when the great northern migration of southern blacks occurred (not to mention that today it is illegal).

Housing is also critical. But the millions of blacks who moved north in search of jobs did so in spite of the unavailability of housing. They lived with relatives and friends, or expanded existing black enclaves. Getting to the jobs was the imperative; insufficient housing was an obstacle to be overcome. Today, many satellite cities and suburbs, far closer to job growth areas than central city ghettos, have black enclaves. Securing a geographic foothold by doubling up with friends or relatives is a strategy that can still be tried today.

Transportation too is a problem, but not by far the biggest one. Gautreaux families who move to the suburbs learn to make do without cars or scrape up enough to buy a clunker. Hughes' job-linked transportation is there for some of the strongly motivated ones.

The education/skills "deficiency" is likewise a major issue, but perhaps solvable over time. Gautreaux mothers go back to school; their young children, as Rosenbaum's studies tell us, learn and graduate and even go on to college.

Each of Kasarda's answers is a significant part of the ghetto poverty problem and merits serious attention. But four of them—discrimination, housing, transportation, education/skills deficiencies—seem to be of a different order than welfare. "[C]ash welfare . . . sustains the underclass," Kaus says. It is "the umbilical cord through which the mainstream society sustains the isolated ghetto society . . . It is its economic life support system . . . Without welfare, . . . [unemployed ghetto blacks] would have had to move to where the jobs were, as they'd done in the past."¹²⁴

It is difficult to avoid the force of the Kasarda-Kaus point that if the life support system, the "subsistence surrogate," were removed—if we weren't paying "the least motivated ghetto residents to stay put when everyone else around them was getting out and getting on with their lives"¹²⁵—we might find, indeed, that people began to get out and get on with their lives.

We might. But persuasive though the analysis appears to be, "getting out" and "getting on" each calls for further comment. "Getting out" of the black urban ghetto is like trying to pull out of a deep sleep. Rosenbaum's studies give us a glimpse of the strengths that are required. The insidious, pervasive power of discrimination makes getting out well nigh impossible for all too many. One cannot overstate the importance of the case for combatting housing discrimination which Massey and Denton make so effectively in American Apartheid.¹²⁶

"Getting on" means getting work. Welfare is, so to speak, the other side of the work coin. The Kaus prescription is not a cold-turkey end to welfare but a trade—jobs for welfare. Which brings us back to Longworth and Jenifer and Wilson and the heart of it all being jobs, jobs, jobs. Substitute for welfare, Kaus argues, a WPA-style government jobs program (to the extent private-sector jobs aren't found). There are obstacles, he acknowledges, but they can all be overcome.¹²⁷

A threshold question is whether government must provide the jobs as employer of last resort, or whether the private sector can do it. Kaus argues from our WPA history for the former, as a doable way to provide work and as the quid pro quo for ending welfare.¹²⁸ Others, including Laura Tyson, President Clinton's head of the Council of Economic Advisers, are on the other side. Backed up by Tyson, Joe Klein of

Newsweek says, "[T]here are enough jobs . . ." (though he acknowledges some people "might have to . . . move to areas where jobs are more plentiful"), and he quotes Tyson as saying, "We have no reason to expect that the private economy wouldn't be able to absorb these people."¹²⁹

But "these people," if we're talking about residents of ghetto poverty areas, include those whose deficiencies in education and skills make them unemployable even if there are jobs. Toby Herr, director of Chicago's successful Project Match that "matches" Cabrini-Green residents to jobs, says, "The process doesn't end when you find someone a job. In some ways, that's only the beginning." It usually takes two, three, four jobs before they latch on, she adds. "You have to make a long-term commitment to them, or it doesn't work."¹³⁰

So even if there are jobs in a numerical sense, more, much more, is needed, particularly for those who drop out of school or nominally finish high school but lack job skills, young people who live in places where they are likely, in another of Kasarda's antiseptic phrases, to become dependent on the urban underground economy. For these a program to get them out of their ghettos seems highly desirable if not absolutely necessary, something like a modern-day version of the New Deal's Civilian Conservation Corps.

Two major objections are raised. First, the cost would increase our already large budget deficit. The answer is that life is a series of trade-offs; at this point in our history an incremental increase in an already large deficit is worth the trade-off of putting hopeless youth to work in useful activity that needs to be done anyway, such as bridge repairs, environmental clean-up, and the like. A number of commentators have observed that if we are willing to spend billions of dollars on a Middle-Eastern emergency and a savings and loan scandal, we ought to be willing to spend like amounts on our emergency/scandal of hopeless American youth. (And not every economist believes that the incremental deficit increase caused by a CCC program would be so terrible.)

The second objection is that such a program would create another vast, wasteful federal bureaucracy. Yes, it might. In a society as large and complex as ours, there is usually no other way to perform large, governmental tasks. It took big, undoubtedly wasteful bureaucracies to deal with the Persian Gulf and savings and loan crises, to put a man on the moon, etc.

However, we can ameliorate the wasteful bureaucracy concern by using an existing institution instead of creating a new one. The Army is looking for new tasks as it downsizes. It is egalitarian and racially integrated, and in the post-Persian Gulf era has the support of the American people. It could administer a CCC-type program (starting with remedial education and skill-training for those in need) on a decentralized basis, using the National Guard administrative structure in each of the fifty states, with perhaps a role in project selection for local district committees as suggested by Senator Paul Simon.¹³¹ The Army's combination of disciplined structure and colorblind opportunity for advancement has already transformed the lives of thousands of minority youth. In analogous fashion a CCC-type billet would directly address the education and skills deficiencies that so plague the jobless young black men who today people our urban ghettos. It would also afford escape from the ghetto, perhaps the critical life-saving step for many of those who would otherwise be sucked under by the drug culture and Kasarda's underground economy.¹³²

Kaus figures his program would cost \$50 billion a year more than we're spending now, assuming universal health care were separately provided and not counting the value of the work done. Expensive? Yes, Kaus says. "So? This isn't a cost-cutting program. It's a solution to the underclass problem." And, he adds, "In the long run, if the welfare culture is absorbed into the working, taxpaying culture, the budgetary payoff will be enormous. . . ."¹³³

However, Shlay supplies an important qualification. "Substituting employment for welfare," she says, "will not eradicate the need for housing subsidies because wages are so low relative to the cost of housing." Housing subsidies (in, we would add, mobility form) may be essential to provide many of the poor with access to the "stuff" of upward mobility—the life-sustaining resources, including employment opportunities and decent education, that are to be found in viable, economically integrated communities. Redefine economic independence, Shlay says (and therefore its converse, "welfare"), to exclude reliance on housing subsidies.¹³⁴

What, we may ask, is the underlying reason this work/welfare recommendation is perceived to be the right approach to ghetto poverty? Perhaps because of those old saws, the work ethic and middle-class values. Take, for example the problem of unwanted, high-risk births, mostly to unwed teenagers. Charles Murray believes that teenage illegitimacy is "the single most important social problem of our time!"¹³⁵ It is much more prevalent in ghetto poverty areas than elsewhere. We need to do something about it. Transforming the welfare culture into a work culture may be the best and quickest way. The argument is not that welfare causes illegitimacy—ghetto teenagers don't have children in order to go on welfare, Kaus tells us—but that it enables illegitimacy. "Welfare, as the umbilical cord through which the mainstream society sustains the isolated ghetto society, enables the expansion of this single-parent culture . . . [A] group whose families were already disproportionately matriarchal was, tragically, exposed to a cash welfare system that subsidized single-motherhood."¹³⁶ Take away the umbilical cord, Kaus contends, substitute work for welfare, and, among other good results, illegitimacy will be curbed.

Next, turn to drugs and drug-associated crime, another of the destructive forces that plague ghetto neighborhoods. Here is what the highly respected National Council on Crime and Delinquency has to say about the relationship between employment and drugs:

Studies prove that lower-class persons who are unable to maintain stable employment due, in part, to their early childhood experiences, have a higher probability than middle- and upper-income individuals of becoming addicted to drugs. As their addiction grows and their employment capabilities decline, they become more likely to engage in petty criminal acts (principally non-violent property crimes and drug dealing) to support their drug use.

. . . [I]n America, the incidence of drug-abuse is more related to social-economic factors than to individual predispositions. It is no coincidence that the vast majority of Americans addicted to illegal drugs are disproportionately located in America's growing under-class. Until the size of this population is reduced over time and their lives become more meaningful, hopeful, and fulfilling, we can continue to expect our inner cities, in particular, to have a significant drug-addicted population and increasing levels of violence associated with drug-trafficking wars.¹³⁷

Or take public schools, a bedrock institution in a functional society for both children and workforce development. Schools are a heart-wrenching failure in most ghetto areas, where drop-out rates approach and sometimes exceed fifty percent and many of those who graduate do so in name only, lacking the skills we generally associate with a high school diploma. "A growing body of evidence," Kaus says, "shows that one of the most important factors in determining success at school is whether a child comes from a working home."¹³⁸

It seems obvious, yet fundamental. Providing work instead of welfare may be the most important step we can take in dealing with three of the ghetto's most intractable problems, high-risk births to unwed

teenagers, drug addiction and associated crime, and failing public schools.¹³⁹ Work, and all that goes with it, is of the essence, at least in our time, of decent, civic society. People who work generally conduct themselves in ways that are supportive of a civilized societal mode. As compared with the unemployed, they have the habits and routines associated with work, they have less need to engage in crime and they are better able to nurture their children. If too many of us are without work, the society comes apart—the larger society as in the Great Depression, or our ghetto societies of today. (When small town or rural societies fail to provide work, their inhabitants leave, as ghost towns and largely depopulated rural hamlets attest.) Evidently people must have the inclination, habit and opportunity to work if society is to work.

The great psychologist, Alfred Adler, believed that work is one of three basic “life tasks.” His foremost disciple, Dr. Rudolph R. Dreikurs, writes that of the three (the others being love and friendship), work is “the most important for the maintenance of life, and non-fulfillment of it almost imperils existence,” while “unemployment is the heaviest burden any human being can have to bear.” He adds that for some people, involuntary termination of employment “spells complete expulsion from the human community.”¹⁴⁰

At bottom, therein lies the justification for our housing policy prescription—it strives to enable people to live in working communities, thereby to increase the likelihood that they too, to society’s great benefit, and theirs, will go to work, or begin the process of equipping themselves—and particularly their children—to do so.

* * *

Our conclusion is that although housing policy can’t eliminate urban poverty, it can help by giving some people, in Wilson’s phrase, a “chance of moving out of their situation” to communities (in another Wilson phrase) “organized around work.”

To the extent that mobility enables us literally to offer people a “chance of moving out” of ghetto poverty areas, we should embrace it, nurture it, expand it. For those who remain within such areas, housing policy can help to offer a different kind of chance. It can seek to change the situational norm of at least some ghetto poverty areas through fostering mixed-income communities which by their very nature—i.e., they include working families whose daily, visible routines exemplify the work ethic and whose political power attracts better social, educational and law enforcement services—also help the ghetto poor to see that they have some chance of “moving out of their situation.”

The prescription is far from a panacea. It is, rather, a way of looking at how housing policy might most effectively be employed as one part (only) of the comprehensive urban poverty strategy we so badly need.

Endnotes

¹National Advisory Commission on Civil Disorders (1968). Report of the National Advisory Commission on Civil Disorders. New York: Bantam Books, pp. 1, 389-408.

²E. Douglas Williams and Richard H. Sander (1993). "The Prospects for 'Putting America to Work' in the Inner City," Georgetown Law Journal, vol. 81, no. 5 (June 1993), p. 2003.

³Douglas S. Massey and Nancy A. Denton (1993). American Apartheid: Segregation and the Making of the Underclass. Cambridge, Ma.: Harvard University Press, pp. 60-78. Margery Austin Turner (1992). "Discrimination in Urban Housing Markets: Lessons from Fair Housing Audits," Housing Policy Debate, vol. 3, no. 2, pp. 185-88.

⁴Paul A. Jargowsky (1994). "Ghetto Poverty Among Blacks in the 1980's," Journal of Policy Analysis and Management, vol. 13, no. 2 (Spring, 1994), pp. 1, 23. John D. Kasarda (1993). "Inner-City Concentrated Poverty and Neighborhood Distress: 1970 to 1990," Housing Policy Debate, vol. 4, no. 3, p. 253.

⁵Fortune (1993). September, 6, 1993, p. 82.

⁶Newsweek (1991). "A Crisis of Shattered Dreams," May 6, 1991, p. 30.

Expressions such as "ghetto poverty" call for some explanation. David T. Ellwood offers a definition of "ghetto poverty area" which seems to be generally accepted: a neighborhood with a poverty rate of 40 percent or more in a moderate-sized or large city. David T. Ellwood (1988). Poor Support. New York: Basic Books, p. 193. See also Paul A. Jargowsky and Mary Jo Bane (1990). "Ghetto Poverty: Basic Questions," in Laurence E. Lynn, Jr., and Michael G. H. McGahey, eds., Inner-City Poverty in the United States. (Washington, D.C.: National Academy Press), p. 19 (hereafter cited "Inner-City Poverty").

According to Kasarda, in 1990 in the nation's 100 largest cities some 5.5 million people lived in ghetto census tracts, a whopping 43 percent increase over 1980 and a doubling of the 1970 figure. Of the 5.5 million ghetto residents, 3.1 million were blacks, 57 percent of the total ghetto population and 24 percent of the total black population in the 100 largest cities. Of the 2.7 million poor (i.e., persons in households with incomes below the poverty level) who lived in ghetto tracts, almost two-thirds were blacks. Kasarda, 1993, pp. 263, 265, 267.

Jargowsky uses a "race specific poverty level" to measure the scope of ghetto poverty in all metropolitan areas. In this approach a ghetto census tract is a tract within which more than 40 percent of the residents of a single racial or ethnic group live in households with incomes below the poverty level. Jargowsky, 1994, pp. 3-4.

Using his race-specific approach, Jargowsky determines that in 1990 about 11.2 million people lived in all metropolitan area ghetto tracts, nearly six million of whom were blacks, a 36 percent increase from 1980. Of the 5.5 million poor living in such tracts, almost three million, 55 percent, were blacks. That figure represented over 45 percent of all poor blacks living in metropolitan areas, meaning that nearly one out of two poor blacks in metropolitan areas in 1990 lived in a ghetto neighborhood. Jargowsky, 1994, pp. 6-8.

There were regional variations beneath the overall pattern—the Midwest and West experienced large increases in their urban ghetto poverty levels during the 1980's, while there was a modest decline in the Northeast. However, ghetto poverty among blacks is extreme in most moderate-sized or large U.S. cities having substantial black populations. Kasarda, 1993, pp. 258-262. Jargowsky, 1994, pp. 10-15. As New Republic editor Mickey Kaus says, "[I]t's simply stupid to pretend that the underclass is not mainly black." Mickey Kaus (1992). The End of Equality. (New York: Basic Books), p. 106.

The contrast with white residential patterns is marked. As Ellwood points out, even though poor whites are far more numerous than poor blacks or Hispanics, poor whites rarely live in areas of concentrated poverty. Ellwood, 1988, p. 201. In 1990, twice as many whites as blacks lived in households with incomes below the poverty level, yet almost six times as many poor blacks as poor whites lived in metropolitan area ghetto poverty tracts. Jargowsky, 1994, Table 1. Of poor whites and blacks living in metropolitan areas, five percent of whites and 45 percent of blacks lived in ghetto census tracts. *Id.* For all income levels, ghetto census tract residents are 11.8 percent white and 52.5 percent black in all metropolitan areas (Jargowsky, 1994, p. 6) and 15.5 percent white and 57.3 percent black in the 100 largest cities (Kasarda, 1993, p. 263).

The way the government calculates its poverty level merits a word. The federal poverty measure is based solely on household income, is adjusted infrequently, and does not reflect geographic differences in the cost of living. For these and other reasons it is a very rough—and in the view of many an inadequate—gauge of poverty. Nevertheless, it is easily calculated and widely employed. For a brief discussion of the issues, see Ellwood, 1988, pp. 82-83.

⁷Committee on National Urban Policy (1990). "Preface," Inner-City Poverty, p. vii.

⁸Nicholas Lemann (1991a). "Chasing the Dream: Deep South, Dark Ghetto, Middle-Class Enclaves," New Perspectives Quarterly, vol. 8, no. 3 (Summer 1991), p. 35.

⁹New York Times (1991a). "Suffering in the Cities Persists as U.S. Fights Other Battles," January 27, 1991, p. 1.

¹⁰Fifty five percent of the 32 million poor live in non-ghetto portions of metropolitan areas and 28 percent do not live in metropolitan areas at all. Jargowsky, 1994, Table 1. Ellwood says that by far the larger numerical part of our societal problems related to income lies not with the urban ghetto poor but with families, many of them working or wishing to, who do not live in ghettos but whose incomes are insufficient to enable them to achieve economic independence. Ellwood, 1988, pp. 85, 128, 189-90. Yet, as Lemann points out, the crime, poverty, and physical and social deterioration of the inner cities is America's "most obvious problem . . . [T]he crisis in the ghettos is right there in plain sight, in the middle of our main population centers." New York Times Sunday Magazine (1994). "The Myth of Community Development," January 9, 1994, p. 27.

¹¹The description of developments in many urban centers over the last four decades that begins at this point in the text comes in good part from Alexander Polikoff (1993). "'Chicago is Not About to Give Up on a Bad Idea': The Future of Public Housing High Rises," in Lawrence B. Joseph, ed., Affordable Housing and Public Policy. (Chicago: University of Chicago Center for Urban Research and Policy Studies), pp. 200-02. It is an eclectic rendition—based largely on William Julius Wilson, Douglas S. Massey and John D. Kasarda—with which not everyone would agree. For example, Massey and Denton dispute Wilson's view that an exodus of the black middle class contributed to concentrated urban poverty, contending that concentrated poverty would have occurred in any event because of the extreme segregation of urban blacks, and even express some doubt as to whether the outmigration of the middle class occurred at all. Massey and Denton, 1993, pp. 126, 144-45. (On the other hand, Jargowsky's data show that middle class blacks left poor neighborhoods faster than poor blacks, even if for other racially segregated neighborhoods, thereby increasing the isolation of the black poor. Jargowsky, 1994, p. 8.) Indeed Wilson and Massey are frequently placed in opposition to one another. Wilson is viewed as explaining black urban ghettos principally in terms of joblessness and its macro-economic causes, particularly the relocation and restructuring of central city jobs, while Massey identifies racial discrimination in housing as the primary causal factor behind black urban poverty.

As the text makes clear, we believe the Wilson and Massey explanations complement one another. And even though discussions of the "what" and (particularly) the "why" of post World War II urban developments may differ, there appears to be basic agreement, descriptively speaking, on the unhappy urban circumstances in which we find ourselves today. Disagreement surfaces again when discussion turns to remedial proposals, as the concluding pages of this paper make clear.

Writers on urban poverty might be analogized to a number of separate streams, flowing nonetheless in the same general direction (historical description and explanation), that come together at one point (what the urban scene looks like today) and then diverge again as they flow into the future (remedial policy prescriptions).

¹²William Julius Wilson (1987). The Truly Disadvantaged: The Inner City, the Underclass, and Public Policy. (Chicago: University of Chicago Press), pp. 49, 56. William Julius Wilson (1991). "Balkanizing by Caste and Class," New Perspectives Quarterly, vol. 8, no. 3 (Summer 1991), p. 26.

¹³For discussions of the so-called "spatial mismatch hypothesis"—that black residential segregation combined with the dispersal of jobs from central cities to suburbs has contributed importantly to low rates of employment and earnings among blacks—see Williams and Sander, 1993, pp. 2020-24, and John F. Kain (1992). "The Spatial Mismatch Hypothesis: Three Decades Later," Housing Policy Debate, vol. 3, no. 2, p. 371. See also Christopher Jencks and Susan E. Mayer (1990). "Residential Segregation, Job Proximity, and Black Job Opportunities," in Inner-City Poverty, p. 187.

"Suburb" is of course and inadequate proxy for non-ghetto communities close to employment opportunities. Neal Peirce points out that, "Many working-class suburbs are in severe decline." Neal R. Peirce (1993). Citistates. (Washington, D.C.: Seven Locks Press), p. 21. Many black suburban communities are both very poor and very far from suburban job growth areas; in the Chicago area, for example, poor south suburban black communities are actually further from the western and northwestern suburban areas of job expansion than are inner city black ghettos. See Williams and Sander, 1993, p. 2024, n. 83. See also New York Times (1994a). "Segregation Mars Suburban Dreams." March 17, 1994, p. A12. "Nationally, one black person in three now lives in the suburbs, but even those with middle-class incomes usually end up in middle-class pockets of poorer neighborhoods . . . On Long Island, 95 percent of black residents are concentrated in 5 percent of the census tracts."

¹⁴Wilson, 1987, pp. 15, 22-26.

¹⁵Id., p. 26.

¹⁶John D. Kasarda (1990). "Urban Employment Change and Minority Skills Mismatch," in Lawrence B. Joseph, ed., Creating Jobs, Creating Workers: Economic Development and Employment in Metropolitan Chicago. (Chicago: University of Chicago Center for Urban Research and Policy Studies), pp. 82-83.

¹⁷John D. Kasarda (1985). "Urban Change and Minority Opportunities," in Paul E. Peterson, ed., The New Urban Reality. (Washington, D.C.: Brookings Institution), p.33.

¹⁸Peter Dreier and John Atlas (1992). "A Housing Policy for the 90's," Shelterforce, vol. XV, no. 6 (November/December 1992), p. 6. Two decades ago it was said: "If a neighborhood is no longer regarded as a good place to live, the condition and quality of its housing become almost irrelevant to its survival." Frank S. Kristoff (1974). "The 1970 Census of Housing: Does it Meet Data Needs for Housing Programs and Policy," quoted in Edward C. Banfield, The Unheavenly City Revisited. (Boston: Little, Brown), p. 38, n. 27. We surely have learned by now, after spanking new public housing projects in the ghetto became inhumane prisons for their inhabitants, that physical shelter cannot alone a viable neighborhood make.

Indeed, improving the housing in a bad neighborhood may be counterproductive. Anne Shlay argues that by spatially concentrating poverty and thereby limiting access to those "human capital generation resources" that are requisite for attaining economic self-sufficiency, "housing can work to thwart economic achievement." Anne B. Shlay (1993). "Family Self-Sufficiency and Housing," Housing Policy Debate, vol. 4, no. 3, p. 460. Shlay's observation resonates with one of twenty years ago from none other than HUD: "There is clearly a disproportionate concentration of poverty within central cities. Therefore, improvements in the physical condition of their housing . . . may worsen the situation by reducing the migration of the poor out of an unsuitable environment." U.S. Department of Housing and Urban Development (1973). Housing in the Seventies. (Washington, D.C.: U.S. Government Printing Office), pp. 6-21.

¹⁹Douglas S. Massey (1991). "Blacks Held Back by Racial Isolation," New Perspectives Quarterly, vol. 8, no. 3 (Summer 1991), p. 33. The 1989 HUD-sponsored Housing Discrimination Study found that prospective black renters responding to advertisements for available units experienced discrimination more than half the time. Comparison with a similar 1977 study tells us that discrimination did not diminish during the 1980s. Margery Austin Turner and Ron Wienk (1993). "The Persistence of Segregation in Urban Areas: Contributing Causes," in G. Thomas Kingsley and Margery Austin Turner, eds., Housing Markets and Residential Mobility. (Washington, D.C.: Urban Institute Press), pp. 198-200 (hereafter cited "Housing Markets").

²⁰Massey and Denton, 1993, p. 115, 185. Douglas S. Massey (1990). "American Apartheid: Segregation and the Making of the Underclass," American Journal of Sociology, vol. 96, no. 2, (September 1990), p. 329. With elegant simplicity Massey demonstrates that high concentrations of poverty are inevitable when any segregated group has a higher rate of poverty than the general population. Massey and Denton, 1993, pp. 118-47; Massey, 1990. He also shows that in many cities public housing, with its long and sad history of segregating blacks, has made a particular contribution to urban poverty concentrations. Douglas S. Massey and Shawn M. Kanaiaupuni (1993). "Public Housing and the Concentration of Poverty," Social Science Quarterly, vol. 74, no. 1 (March 1993), p. 109.

²¹Massey, 1991, p. 33; Massey and Denton, 1993. Others express similar views. "Without racial segregation there would be almost no ghetto poverty problem." Jargowsky, 1994, p. 17. "If we could substantially erode housing segregation, we could, plausibly, erode these other problems [causes of black joblessness] in the process." Williams and Sander, 1993, p. 2059.

Massey focuses on the concentration of the black poor because blacks have experienced considerably more segregation than other racial or ethnic groups, including Hispanics. Massey and Denton, 1993, pp. 2, 32-33. Blacks in 16 large metropolitan areas, home to approximately one-third of all blacks in the United States, live under conditions of intense racial segregation which Massey calls "hypersegregation," whereas Hispanics are not hypersegregated in any U.S. city. *Id.*, pp. 74-78, 112-14. As for poor Hispanics, Kasarda finds that in the nation's 100 largest cities 28 percent live in ghetto tracts compared to 42 percent of poor blacks, and Jargowsky determines that in all metropolitan areas 35 percent of poor Hispanics live in ghetto tracts compared to 45 percent of poor blacks. Kasarda, 1993, p. 267; Jargowsky, 1994, Table 1.

George Galster seeks to develop a model of the "complex interconnections among factors producing economic disadvantage for African-Americans," discussing housing and labor market discrimination, changes in family structure, changes in the types and locations of jobs, the low quality and segregated nature of inner-city schools, and the social-spatial isolation of blacks. While stressing that his modeling efforts must be viewed as exploratory and their results tentative, Galster says his central conclusion is that "where African-Americans live—i.e., how racially and economically isolated they are—appears to affect substantially how likely they are to fall into poverty." George C. Galster (1991). "Housing Discrimination and Urban Poverty of African-Americans," Journal of Housing Research, vol. 2, no. 2, p. 87, 113. See also George C. Galster and Ronald B. Mincy (1994). "Understanding the Changing Fortunes of Metropolitan Neighborhoods, 1980-1990," Housing Policy Debate, vol. 4 no. 3, p. 303.

²²Sandra J. Newman and Ann B. Schnare (1992). Beyond Bricks and Mortar: Reexamining the Purpose and Effects of Housing Assistance. (Washington, D.C.: Urban Institute Press), pp. 14-15.

²³*Id.*, pp. 15-16.

²⁴42 U.S.C. § 1437u. Beginning in fiscal year 1993, all public housing agencies must institute a Family Self-Sufficiency program for a number of families equal to the PHA's annual increases in public housing and Section 8 families. The program is supposed to make social services available to all family members and requires heads of participating families to undergo counseling and training and seek suitable employment for a period of five years. Participating families also benefit from a ceiling on rent increases and, upon successful completion of the program, receive the funds in an escrow account designed to assist in purchasing a home or continuing education. See Shlay, 1993, pp. 482-86.

²⁵Beginning in 1933, residents were placed in public housing according to the "neighborhood composition" rule—"public housing was to mirror, not alter, the racial composition of its neighborhood." The Federal Housing Administration's mortgage insurance programs officially adopted red-lining policies, warning against the harms caused by the "infiltration of . . . inharmonious racial groups" and shunning investment in areas likely to be "invaded" by "incompatible social and racial groups." Alexander Polikoff (1978). Housing the Poor: The Case for Heroism. (Cambridge, Mass.: Ballinger), pp. 9-17.

²⁶One objective of the Fair Housing Act of 1968, 42 U.S.C. §§ 3601 et seq., is said to be "replac[ing] the ghettos 'by truly integrated and balanced living patterns.'" Trafficante v. Metropolitan Life Ins. Co., 409 U.S. 205, 211 (1972) (quoting 114 Cong. Rec. 3422 (statement of Senator Mondale)). The 1990 National Affordable Housing Act requires recipients of federal assistance to pledge that they will "affirmatively carry out activities that reduce or eliminate discriminatory impact in housing on the basis of race . . ." S. Rep. No. 101-316, June 8, 1990, at 45 (referring to 42 U.S.C. § 12705).

²⁷U.S. Department of Housing and Urban Development (1993a). "Helping People Build Communities of Opportunity." Washington, D.C.: unpublished, distributed at National Housing Conference, Annual Meeting and Housing Policy Conference, Washington, D.C., May 16-18, 1993. See also U.S. Department of Housing and Urban Development (1993b). Creating Communities of Opportunity. (Washington, D.C.: U.S. Government Printing Office).

²⁸These remedial arrangements were later formalized in a consent decree. Gautreaux v. Landrieu, 523 F. Supp. 665 (N.D. Ill. 1981), *aff'd*, 690 F.2d 617 (7th Cir. 1982).

²⁹Susan J. Popkin, James E. Rosenbaum, and Patricia M. Meaden (1993). "Labor Market Experiences of Low-Income Black Women in Middle-Class Suburbs: Evidence from a Survey of Gautreaux Program Participants," Journal of Policy Analysis and Management, vol. 12, no. 3, pp. 560-69. James E. Rosenbaum (1993). "Closing the Gap: Does Residential Integration Improve the Employment and Education of Low-Income Blacks?", in Lawrence B. Joseph, ed., Affordable Housing and Public Policy. (Chicago: University of Chicago Center for Urban Research and Policy Studies), pp. 238-46. James E. Rosenbaum (1991). "Black Pioneers—Do Their Moves to the Suburbs Increase Economic Opportunity for Mothers and Children?," Housing Policy Debate, vol. 2, no. 4, pp. 1185-1203.

In the fall of 1988, the Northwestern researchers surveyed 332 Gautreaux female heads of households who moved between 1976 and 1988—224 to the suburbs and 108 within Chicago. During that period most Gautreaux families moved to the first apartment available so suburban and city movers were essentially randomly distributed and had similar pre-move characteristics. Popkin, Rosenbaum, and Meaden, 1993, pp. 560-61. The researchers found that suburban movers were 25 percent more likely to have jobs following their moves. Of participants who had never held a job prior to their moves, those who moved to the suburbs were 53 percent more likely to find jobs. The positive impact of a suburban move on the ability to find jobs withstood regression analysis controlling for family characteristics, welfare history, education, and job experience. *Id.*, pp. 565-67. Suburban movers had no advantage in terms of wages, however, which correlated primarily to levels of education and experience. *Id.* pp. 567-68.

The researchers also surveyed 107 youths—65 suburban and 42 city—in 1982 and again in 1989. Their findings included the following: five percent of the suburban youths dropped out of school compared to 20 percent of the city youths; 54 percent of the suburban youths attended college compared to 21 percent of the city youths; 75 percent of the suburban youths found jobs compared to 41 percent of the city youths; and 21 percent of the suburban youths who worked found jobs paying more than \$6.50 per hour compared to five percent of the city youths who worked. Rosenbaum, 1991, pp. 1193-1203.

For practical reasons the Northwestern studies involve a small sample size and no true control group, but still appear to withstand statistical scrutiny. See Popkin, Rosenbaum, and Meaden, 1993, p. 557; Rosenbaum, 1991, pp. 1194-96. It may be added (from the viewpoint of common sense) that one would not expect to find that moving to a better neighborhood works only for non-poor families.

³⁰U.S. Department of Housing and Urban Development (1992). "Expanding the Opportunities for Empowerment: New Choices for Residents." (Washington D.C.: unpublished fiscal year 1993 budget press package).

The cost of the Leadership Council's Gautreaux Program administration has been modest, less than \$1000 per family placed. Mary Davis (1993a). "The Gautreaux Assisted Housing Program," in *Housing Markets*, p. 251. Perhaps based on the Leadership Council's experience, for purposes of the Moving to Opportunity demonstration discussed in the text, HUD estimates the cost at \$1100 per family. U.S. Department of Housing and Urban Development (1993c). "Notice of Funding Availability (NOFA) for Moving to Opportunity for Fair Housing Demonstration for Fiscal Year 1993," *Federal Register*, vol. 58, no. 156 (August 16, 1993), p. 43459. In the Massachusetts program referred to in the text at note 42, costs have been comparable. See Barbara Sard (1993). "The Massachusetts Experience with Targeted Tenant-Based Rental Assistance for the Homeless: Lessons on Housing Policy for Socially Disfavored Groups," *Georgetown Journal on Fighting Poverty*, vol. 1, no. 1, p. 26. These are, of course, one-time "placement" costs. "Even if the costs of effective housing locator programs exceeded current Section 8 administrative expenditures, they would not take a significant bite out of available funds. The per family cost of housing locator services in high-rent states is approximately equal to two months' subsidy." *Id.*

³¹Pub. L. 102-139, 105 Stat. 745 (October 28, 1991); Pub. L. 102-550, §152 (October 28, 1992). Given that racial segregation appears to be such an important cause of urban poverty, how can one justify a policy recommendation that employs a race-neutral poverty criterion? One answer is that the "vast majority of the residents of ghetto neighborhoods are members of minority groups"—in 1990 nearly 90 percent were persons other than non-Hispanic whites. Jargowsky, 1994, p. 6. Hence, for a program such as MTO which focuses on high poverty areas of large cities, the more politically acceptable poverty criterion will perforce largely be a race criterion as well. "We should be developing race-neutral social policies that are economically targeted," argues Lemann. Lemann, 1991a, p.35.

³²U.S. Department of Housing and Urban Development (1993c), p. 43458.

³³Pub. L. 103-120, §3 (October 27, 1993).

³⁴U.S. Department of Housing and Urban Development, 1993c, pp. 43459, 43465-66. The second control group was not part of HUD's original administrative conception but was added after the MTO NOFA was published.

³⁵Los Angeles is a designated participating city. In early 1994 four additional cities were selected in a competitive application process from among the 20 that are eligible, those having populations of at least 400,000 in a metropolitan area of at least 1.5 million. The four are Baltimore, Boston, Chicago, and New York.

³⁶Cushing N. Dolbeare (1993). *At a Snail's Pace: FY1994*. Washington D.C.: Low Income Housing Information Service. Tables 1 and 3. On average, during the Reagan-Bush years Congress authorized about \$2.2 billion of budget authority annually for about 60,000 units of additional Section 8 assistance. *Id.*

³⁷*Walker v. HUD*, 734 F. Supp. 1231 (N.D. Tex. 1989).

³⁸Craig Gardner (1993). (Director of DHA Housing Mobility Division from 1987 to 1988.) Telephone conversations with David F. Jacobs of Business and Professional People for the Public Interest, September 28 and October 4, 1993.

³⁹*Walker*, 734 F. Supp. at 1242 n. 39. By June 30, 1989, some 2465 Section 8 households lived in non-impacted areas, 45 percent of DHA's total Section 8 families.

⁴⁰Elizabeth Julian (1993). (Attorney for plaintiffs in *Walker*). Letters to author, September 28, 1993, and September 1, 1992.

⁴¹The Dallas success rested upon, among other activities, aggressive landlord recruitment by the housing mobility division. Early in the Gautreaux program the Leadership Council also focused on finding units. More recently the Counsel's motivational counseling approach has "empowered" participating families to find apartments themselves. Of 122 Gautreaux families who moved in November and December 1993, all but one found their new apartments for themselves.

⁴²Some 600 Cincinnati families, 400 Memphis families, and 300 Hartford families have made affirmative moves to non-racially impacted census tracts. Florence Wagman Roisman and Hilary Botein (1993). "Housing Mobility and Life Opportunities," *Clearinghouse Review*, vol. 27, no. 4, p. 335. See also, Paul B. Fischer (1991). "Is Housing Mobility an Effective Anti-Poverty Strategy?: An Examination of the Cincinnati Experience." Cincinnati: Stephen H. Wilder Foundation; Shaun Donovan (1993). "Moving to the Suburbs: Section 8 Mobility and Portability in Hartford." (Washington, D.C.: unpublished [on file with Business and

Professional People for the Public Interest]). Each of the Cincinnati, Memphis and Hartford programs is administered by nonprofit fair housing organizations; the former two originated in litigation, while the Hartford program is voluntary.

The much larger Massachusetts program, involving some 10,000 homeless and "imminently homeless" households between 1985 and 1991, was not designed to foster moves to low-poverty or non-racially impacted areas but apparently had that effect to a considerable degree. Administered by the Massachusetts Department of Public Welfare, and using state as well as federal tenant-based subsidies, intensive landlord recruitment and housing search support services (including transportation, child care and reimbursement of some other housing search costs) led to a high degree of success in placing homeless, predominantly poor, minority persons in private market housing. See Sard, 1993, p. 16.

Apart from its size the Massachusetts experience is notable on two counts. The first is the astonishingly high success rate (nearly 100 percent) in finding housing for a hard-to-house clientele, the result, apparently, of Massachusetts' twin techniques of truly comprehensive housing search support services coupled with highly "organized" and "massive" recruitment of landlords, including paying "holding" fees for the period between the landlord's agreement to rent and the administering agency's completion of its inspection of the unit and authorization of rental assistance. Sard, 1993, pp. 21-23. The second is that these results were achieved during what was for the most part a very "tight" rental market, with—in the Boston area—a vacancy rate of less than five percent. *Id.*, pp. 18, 39, n. 113.

⁴³42 U.S.C. § 3608 (e) (5).

⁴⁴Roberta Achtenberg, HUD Assistant Secretary for Fair Housing and Equal Opportunity, has said that enforcement and compliance have "never been meaningful." *Washington Post* (1993). September 11, 1993, p. F1.

⁴⁵In Chicago, for example, over 80 percent of CHA's Section 8 families—virtually all of whom are African-American—have moved to or stayed in neighborhoods that are predominantly black. Andrew Rodriguez (1992). (Director, Construction Management, Chicago Housing Authority.) Letter to Julie E. Brown of Business and Professional People for the Public Interest, November 9, 1992. See also Paul B. Fischer (1993). *A Racial Perspective on Subsidized Housing in the Chicago Suburbs*. (Homewood, IL: South Suburban Housing Center). Fischer's examination of the Cook County Housing Authority's Section 8 program (funded by a grant from the John D. and Catherine T. MacArthur Foundation) discloses that Cook County's Section 8 families are overwhelmingly black and that over half of them live in just seven of the 120 communities in the service area, six of which are in Chicago's south suburbs and close to one another.

⁴⁶The affirmative administration obligation of 42 U.S.C. § 3608 (e) (5) speaks to race, not poverty. Nonetheless, the avoidance of concentrations of low-income families is a separate but closely related requirement of the Section 8 program which was enacted "[f] or the purpose of aiding low-income families in obtaining a decent place to live and of promoting economically mixed housing." 42 U.S.C. § 1437f (a). See *La Plaza Defense League v. Kemp*, 742 F.Supp. 792, 804 (S.D.N.Y. 1990) (Congress "imposed a 'heavy burden' on HUD to promote economic integration in administering the Section 8 program"). HUD regulations require PHAs to "encourage the participation of Owners of units in areas other than low-income or minority concentrated areas." 24 C.F.R. § 887.59 (c) (2).

As a part of its affirmative administration HUD could negotiate "Dallas-type" numerical targets with each administering housing agency. The targets would vary from agency to agency and would be determined partly by the agency's previous affirmative administration performance, and partly by the area's racial and poverty demography.

The Cisneros HUD Administration is currently exploring a "one-stop shopping" concept—a demonstration program involving a single metropolitan area waiting list for all forms of assisted housing which might lead more ghetto residents to take advantage of all available assisted housing to escape their ghetto environs. HUD's summary of its proposed FY1995 budget says, "In each area selected for the demonstration, a private, nonprofit organization will expand housing opportunities for low-income families by coordinating the region's tenant selection, assignment, and counseling services." U.S. Department of Housing and Urban Development (1994). FY1995 Budget: Executive Summary. (Washington, D.C.: U.S. Government Printing Office), February 1994, p. 18.

Desirable though the proposal appears to be, in many large metropolitan areas the small numbers of available assisted housing units relative to lengthy waiting lists, coupled with the location of many public housing projects in racially-impacted and high-poverty neighborhoods, would limit the mobility potential of such a metro-wide waiting list. The "supply side" potential of the arrangement could be enhanced by requiring the inclusion of all FHA-insured rental housing and providing effective Gautreaux/MTO-type counseling to all who rose to the top of the waiting list.

⁴⁷While not a perfect analogy, HUD's site and neighborhood standards prohibit the erection of new public housing, project-based Section 8, and other unit-based assisted housing in areas of minority concentration or areas with an "undue concentration" of assisted persons, although these restrictions may be waived in certain circumstances. 24 C.F.R. §§ 882.708, 941.202.

⁴⁸42 U.S.C. § 1437f(g).

⁴⁹Abt Associates (1988). Administrative Costs of the Housing Voucher and Certificate Programs. (Washington, D.C.: U.S. Government Printing Office), pp. 3-4, 38-42 (prepared for HUD).

⁵⁰U.S. Department of Housing and Urban Development (1993d). HUD Handbook 7420.7. (Washington, D.C.: U.S. Government Printing Office), Section 8-2 (d).

⁵¹The present allocation and administrative fee arrangement probably deters mobility. Each family that uses a certificate or voucher issued by a central city housing authority to move to a different jurisdiction—for example, a low-poverty suburb—in effect carries away the administrative fee, for once the family signs a lease within the jurisdiction of another housing authority, the latter usually assumes administration of the Section 8 contract and becomes entitled to the administrative fee. Thus the two-tier fee suggestion made in the text would have to be achieved by some combination of sharply lower preliminary fees for placements in high-poverty areas, and a sharing of the monthly administrative fee between the two involved housing authorities on each low-poverty area placement. Some “bonus,” monetary, non-monetary, or both, might also be offered for each low-poverty area move to the housing authority responsible for arranging the placement, including additional “replacement” certificates.

The perversity of the present administrative fee arrangement may stem fundamentally from the “fair share” allocation system HUD employs. By statute, HUD must allocate Section 8 assistance on the basis of a formula predicated on objectively measured relative need. 42 U.S.C. §1439 (d) (1) (A) (i). Certificates and vouchers are thus allotted to housing authorities before the authorities know where families receiving assistance will ultimately reside. This system creates a “vested interest” in housing authorities to retain participating families within their jurisdictions and thereby realize the administrative fees the certificates or vouchers represent. HUD has recognized this disincentive to mobility and pledged to redesign the Section 8 allocation system to support mobility. U.S. Department of Housing and Urban Development, 1993b, p. 68. It goes without saying, of course, that it makes no sense to have an allocation/administrative fee system drive our major housing assistance program in a way that frustrates one of HUD’s highest policy priorities; rather, our mobility goal should dictate our allocation/administrative fee system.

⁵²As noted, of some 32 million persons with incomes below the poverty level, Jargowsky concludes that 5.5 million live in metropolitan area census tracts having race specific poverty levels greater than 40 percent. Jargowsky, 1994, Table 1. Since in 1990, the average family contained 3.2 persons (U.S. Bureau of the Census (1991). 1990 Census of Population: General Population Characteristics—United States. (Washington, D.C.: U.S. Government Printing Office), p.2, it follows that in 1990 there were approximately 1.7 million poor ghetto families, say 1.8 million to take some account of census undercounting.

In its FY1995 proposed budget, HUD requests nearly \$150 million for a new “Moving to Independence” (MTI) counseling program for “all” non-elderly families participating in Section 8 certificate or voucher programs. The Department says its proposed funding level would support counseling for between 215,000 and 300,000 families (i.e., between \$500 and \$700 per family) and would “help families living in areas with high concentrations of poverty or racial separation have a real opportunity to move to other neighborhoods.” U.S. Department of Housing and Urban Development, 1994, p.17.

Until its budget proposal is fleshed out with programmatic detail one can only speculate about the degree of “real opportunity” to be provided. Some questions that come to mind include: (1) How will high- and low-poverty areas and “racial separation” be defined? (2) Will all, some or none of the families entering the Section 8 program and receiving MTI counseling be required to use their certificates or vouchers to move to low-poverty, non-racially separated areas? (3) Will “Dallas-type” targets or goals be established for PHAs? (4) What degree of landlord recruitment and housing search counseling and assistance will be required? (The proposed funding level may be as little as half the Gautreaux and MTO amounts.)

With so little defined at this writing (April 1994), speculation about MTI is only that. Nonetheless we will make two observations. The first is that its MTI proposal shows HUD is taking the Gautreaux/MTO thrust seriously and wishes to move now, without waiting for MTO evaluations, to infuse mobility principles into conventional Section 8 programs. The second is that the devil may be in the definitions as well as in the details. If families are said to be moving to “independence” when moving (say) from 40 percent to 35 percent poverty neighborhoods, or from 80 percent black to 60 percent black neighborhoods, then “mobility” may be watered down to meaninglessness. Recall that MTO defines low-poverty areas as census tracts having less than 10 percent poverty population, while Gautreaux defines racially impacted areas as census tracts with less than 30 percent African American population.

⁵³As to possible political problems, it appears that the Massachusetts homeless program came to a virtual halt after 1991 in part because of “political backlash” over its success in placing large numbers of “socially disfavored” families in communities that grew unhappy with the new residents they were receiving. Barbara Sard (1994). Telephone conversation with author, February 24, 1994.

As to breeding success, Gautreaux families have frequently “seeded” new, previously lily-white communities. Two consequences are: areas previously viewed as “off-limits” to black families become perceived as “open” so that more families are willing to conduct housing searches there; and when landlords in receiving communities see that their stereotypical fears about accepting public housing families do not materialize, more landlords become willing to accept such tenants. “[I]ncreased participation of landlords in a community tended to have spillover effects: the more prevalent participation was, the more willing were new landlords to join the program.” Sard, 1993, p. 15.

In the Gautreaux Program the Leadership Council registers about 1,800 Gautreaux-eligible families annually, but only about 20 to 25 percent of registrants succeed in moving each year. The rest, particularly larger families, are unsuccessful in finding apartments or do not pursue the search process aggressively. (The 1,800 figure is not arbitrary; it is a figure capped at roughly the number of registrant families the Leadership Council's experience tells it will be required to use up the Council's annual allotment of Section 8 certificates under the Gautreaux case.) On the other hand, many thousands of additional families attempt to register each year but are unsuccessful in the Council's telephone lottery registration system. We simply do not know whether, if registrants, certificates, and counseling staff were, say, doubled or trebled, some 1,000 Gautreaux families per year would succeed in finding apartments and moving. Mary Davis (1993b). (Leadership Council for Metropolitan Open Communities). Conversation with author, December 1993. The Massachusetts experience suggests that the answer might well be affirmative, but it also suggests concern about how long such a higher movement rate could be sustained.

⁵⁴New York Times (1992a). "Chicago Housing Project Basks in a Tense Peace," November 2, 1992.

⁵⁵CBS Sixty Minutes, December 19, 1993.

⁵⁶Brent Staples writes of another Ms. Davis, not Dantrell's mother but Ms. Frances Davis of the Bedford-Stuyvesant section of Brooklyn, who lost all three of her sons in six years to "butchery" in the streets:

Surely Ms. Davis and thousands of other parents would rather their sons were alive and living in Wyoming, let's say, than dead at home. Remember how Britons shipped their children out of London during the blitzkrieg? What American cities need are evacuation plans to spirit at least some black boys out of harm's way before it's too late. Inner-city parents who can afford it ship their children to safety in the homes of relatives. Those who are without that resource deserve the same option extended to parents in London during World War II.

New York Times (1993e). "Confronting Slaughter in the Streets," November 5, 1993.

Some time ago the author manned a telephone in the Leadership Council's annual Gautreaux program registration. Through a bank of twenty-five phones, ringing constantly after turn-on at 8:00 a.m., thousands of callers compete in a "telephone lottery," trying to register before the phones are shut off when the 2,000th registrant is reached. (Some years ago the Council shifted to a telephone registration when the crush of thousands of would-be registrants caused a near riot outside the Council's offices.) About 11:30 a.m., a call began with laughter that continued for two solid minutes. When finally the woman was able to control herself, she apologized. "I'm laughing for joy," she explained. "I've been dialing since eight this morning and I can't believe I finally made it."

⁵⁷Rosenbaum says that several Gautreaux program features, credit checks, home visits and generally smaller family size (because large apartments are in such short supply), lead to some selectivity as between Gautreaux participants and the larger class of public housing families who are eligible to participate. (Mary Davis of the Leadership Council is quick to point out, however, that families needing credit or housekeeping counseling receive it and are not excluded from the program.) Gautreaux participation is initiated by a phone call from the family, and the program thus automatically excludes those not motivated enough to make the phone call or to attend the ensuing briefing session. Rosenbaum estimates that less than half the families eligible to participate in Gautreaux are eliminated by these factors, a proportion that ill fits the creaming metaphor (which—for those not old enough to remember—refers to a thin layer of cream that rises to the top of a bottle of milk left standing on the back porch). James E. Rosenbaum (1994). Telephone conversation with author, January, 1994. Demographically, Gautreaux participants look very much like non-participating members of the Gautreaux class. "All are very low income, are current or former welfare recipients, have lived most of their lives in impoverished inner-city neighborhoods, and many are second-generation welfare recipients." Popkin, Rosenbaum, and Meaden (1993), p. 563.

⁵⁸A mobility remedy to which HUD agreed in Gautreaux-type litigation in Omaha was even called "ethnic cleansing." Houston Post (1994). "Ethnic cleansing according to the Cisneros scales," March 4, 1994.

⁵⁹Anthony Downs (1993). "Reducing Regulatory Barriers to Affordable Housing Erected By Local Governments," in Housing Markets, p. 255. One rare "successful" example of an inclusionary zoning program operates in suburban Montgomery County, Maryland, where every new development of 50 units or more must include between 12.5 and 15 percent "moderately priced dwelling units" (MPDUs); in return, developers get density bonuses. Between 1976 and 1992, over 8,400 MPDUs were produced, but two-thirds were sold to predominantly moderate income families who worked or lived in the county (about 20 percent of whom have been black or Hispanic). The other third have been rented to families of similar demographic characteristics but somewhat lower income levels. Monica Shah (1993). "An Explanation and Examination of the Moderately Priced Dwelling Unit Program in Montgomery County, Maryland." Washington, D.C.: unpublished, prepared for Housing Law Seminar, Georgetown University Law Center (on file with Business and Professional People for the Public Interest). Christie Baxter (1990). "Moderately Priced Dwelling Units in Montgomery County, Maryland." (Cambridge, Ma.: Harvard University [case study]). Eric Larsen (1993). (Montgomery County Department of Housing and Community Development.) Telephone conversation with David Jacobs, October 4, 1993.

The MPDU program appears to have been successful in leveraging private resources to produce affordable housing, but without additional subsidies and a requirement for inner-city targeting, the program provides little assistance to the very poor in neighboring Washington, D.C., and thus little relief for concentrated urban poverty. The Montgomery County Housing Opportunities Commission administers about 3,000 Section 8 certificates and vouchers and adds about 75 incremental certificates and vouchers each year. Because of local preferences, all incremental certificates and vouchers go to county residents or persons who work in the county. Joe Feuerherd (1993). (Montgomery County Housing Opportunities Commission). Telephone conversation with David Jacobs, November 10, 1993.

With community development block grant funds, and transportation and other federal programs that provide significant amounts of federal dollars to local governments, the federal government has a theoretical ability to entice and coerce localities into exercising their land use powers to require that more affordable housing be provided, particularly in connection with new residential construction where, because of needed building permit and zoning approvals, the leverage of local governments is considerable. A recent presidential executive order lays a foundation for such federal action. (Executive Order 12892, issued January 17, 1994, creating an interagency Fair Housing Council pursuant to 42 U.S.C. §3608 chaired by the Secretary of HUD.) However, history is not encouraging in this regard. In the late 1960s, under the direction of then HUD Secretary George Romney, an effort of precisely this sort was mounted to require assisted housing to be built throughout what Romney called the "real city," that is, the entire metropolitan area. Political opposition soon torpedoed Romney's initiative. Polikoff, 1978, pp. 60-61.

⁶⁰42 U.S.C. §1437c (e) (2); 24 C.F.R. §941.201(c). The author's argument fifteen years ago that the federal government should become the "houser of last resort" in low-poverty suburbs, and that such an arrangement might not be politically impossible, seems not to have taken the nation by storm. Polikoff, 1978, pp. 115-26, 137-46.

⁶¹One of the largest scattered site programs, in the Gautreaux case in Chicago, is likely to "top out" at around 2,000 units built and rehabilitated over a period of eight years. Gautreaux v. Cisneros, Nos. 66C1459, 1460 (N.D. Ill.), Quarterly Report of Receiver dated Nov. 5, 1993.

⁶²Mark Allen Hughes with Julie E. Sternberg (1993). The New Metropolitan Realty: Where the Rubber Meets the Road in Antipoverty Policy. (Washington, D.C.: Urban Institute).

⁶³"Metropolitan Chicago has grown geographically by 46 percent in 20 years, even though population is up only 4 percent. Covering that much sprawl would make commuter bus runs, with their multiple drop-offs and pickups, unbearably long, admits Suburban Job-Link director, John Plunkett." U.S. News & World Report, November 9, 1992, p. 34.

⁶⁴Shlay, 1993, pp. 460, 487.

⁶⁵Ellwood, 1988, p. 228.

⁶⁶Chicago Tribune (1992a). May, 14, 1992, p. 24.

⁶⁷^{Id.} Paul Peterson says, "The best urban policy . . . would be directed toward dispersing racial concentrations by increasing the choices available to racial minorities." Paul E. Peterson (1985). "Technology, Race, and Urban Policy," in Paul E. Peterson, ed., The New Urban Reality. Washington, D.C.: Brookings Institution, p. 26. Kasarda advocates increasing "the mobility options of the urban disadvantaged . . ." Kasarda, 1985, p. 66.

⁶⁸Only one-third of poor renter families receive any housing subsidy. As Chester Hartman has said:

In other words, solving the nation's housing problem—attaining the National Housing Goal of "a decent [affordable] home and suitable living environment for every American family"—would require more government subsidies than anyone in government is willing to acknowledge or consider.

Chester Hartman (1993). "A Universal Solution to the Minority Housing Problem," North Carolina Law Review, vol. 71, no. 5 (June 1993), p. 1561.

As everyone understands—and as most of us supinely accept—assisted housing resources are not really all that scarce; they are misdirected. The U.S. tax system provides enormous housing subsidies to homeowners, most of which benefit the wealthy, not the poor. The tax code permits deductions for interest paid on residential mortgages up to \$1 million, and interest paid on home equity loans up to \$100,000. It also permits deductions for local property taxes and provides favorable capital gains treatment for home sales. In fiscal year 1993, the federal government spent \$21 billion for affordable housing but \$82 billion in these housing tax expenditures. Of the \$103 billion in federal housing subsidies, 61 percent went to the wealthiest 20 percent of Americans compared to 18 percent to the poorest 20 percent. By reducing homeowner subsidies, which have clearly exceeded the amount necessary to encourage homeownership and become a means of wealth accumulation, we might save billions of dollars each year which could be devoted to affordable

housing programs. Peter W. Salsich, Jr. (1993). "Capping Deductions to Fund Affordable Housing," ABA Journal of Affordable Housing and Community Development Law, vol. 2, no. 4 (Summer 1993), p. 9; Dolbeare, 1993, Graphs 2, 4, and 7.

⁶⁹Until we do so, it is argued by John Calmore and others, the apparent "choice" a mobility program affords is illusory for it amounts to an option between staying in an impoverished inner-city neighborhood and moving to a mixed-income suburban one, the former steeped in crime, drugs, bad schools and a dependent population, the latter economically and socially far more functional. John O. Calmore (1993). "Spatial Equality and the Kerner Commission Report: A Back-to-the Future Essay," North Carolina Law Review, vol. 71, no. 5 (June 1993), p. 1487; John O. Calmore (1980). "Fair Housing vs Fair Housing: The Problems with Providing Increased Housing Opportunities Through Spatial Deconcentration," Clearinghouse Review vol. 14, no. 1 (May 1980), p.7.

But consider this from Lemann:

Much of our social policy has been geared toward trying to turn around ghettos as places, rather than helping people get out of the ghettos. The reality today is that our ghettos bear the accumulated weight of all the bad in our country's racial history, and they are now among the worst places to live in the world. For this reason, I firmly believe that the notion of ghetto renewal is untenable. The European immigrants of a century ago had no intention of making the ghetto their permanent residence. Why should we expect blacks to want to stay there?

Lemann, 1991a, p. 30, 31-32.

⁷⁰Christopher Walker (1993). "Nonprofit Housing Development: Status, Trends, and Prospects," Housing Policy Debate, vol. 4, no. 3, p. 369. See also National Congress for Community Economic Development (1991). Changing The Odds: The Achievements of Community-based Development Corporations (hereafter cited "Changing the Odds").

Lemann writes of the "powerful emotional attractiveness" of the idea that ghettos can be "'developed' into thriving ethnic enclaves." It envelops ghettos in the "romanticized aura Americans attach to small-town life." And for blacks drawn to nationalism, "it contains the promise of a reunified, self-determining, economically independent community removed from the agonies of assimilation." Nicholas Lemann (1991b). The Promised Land. (New York: Alfred A. Knopf), pp. 347-48.

⁷¹Hughes, 1993, p.32.

⁷²Id.

⁷³Williams and Sander, 1993, p.2004.

⁷⁴Id., pp. 2065, 2070.

⁷⁵Kasarda, 1985, p. 63. Lemann adds, "It is . . . extremely difficult to find statistical evidence that any inner-city neighborhood in the country has been economically revitalized." New York Times Sunday Magazine, 1994, p. 30.

⁷⁶Williams and Sander, 1993, p. 2042-47. Rodney A. Erickson and Susan W. Friedman (1991). "Comparative Dimensions of State Enterprise Zone Policies," in Roy E. Green, ed., Enterprise Zones: New Directions in Economic Development. (Newbury Park, Ca.: Sage), p. 171.

⁷⁷The 1993 Budget Reconciliation Act creates an "Empowerment Zone" and an "Empowerment Community" program. The Act devotes over \$2.5 billion to employer tax breaks and \$1 billion to social programs, with the largest amounts to be granted to six urban and three rural empowerment zones. Pub. L. 103-66, §§13301-03 (August 10, 1993). Representative Charles B. Rangel of New York, described as the person most responsible for the passage of the empowerment zone program, said: "I rejected the whole concept under Reagan. But people came to me and said, 'How can it hurt' So I just said, 'What the hell.' But when it started looking like the urban policy for the nation, it was obviously inadequate." New York Times Sunday Magazine, 1994, p.28. Some of the more optimistic administration officials predict "that perhaps one of the six zones could end up a visible economic success." Id., p. 54.

⁷⁸Charles Palms (1993). (Information Director, Bedford Stuyvesant Restoration Corporation.) Telephone conversation with David Jacobs, December 1993.

⁷⁹Bedford Stuyvesant Restoration Corporation (1993). Informational Material. Brooklyn N.Y.: Bedford Stuyvesant Restoration Corporation. New York Times (1992b). May 26, 1992, p. B2. New York Newsday (1992). February 9, 1992, pp. B1, B5.

⁸⁰New York Times (1993). June 29, 1993, p. B3. Samme Chittum (1993). "Tales From The Bronx," The Neighborhood Works, vol. 16, no. 6 (December 1993/January 1994), pp. 13-14, 39. The Nation (1989). "A South Bronx Landscape," March 6, 1989, pp. 302-06.

New York Times (1991b). May 30, 1991, p. B3. U.S. Census Bureau (1991). 1990 Census of Population and Housing: Population and Housing Characteristics for Congressional Districts of the 103rd Congress. Washington, D.C.: U.S. Government Printing Office. U.S. Census Bureau (1983). 1980 Census of Population and Housing: Congressional Districts of the 98th Congress. (Washington, D.C.: U.S. Government Printing Office).

⁸¹Mary Nelson (1993). (President of Bethel New Life, Inc.) Telephone conversation with author, December 23, 1993.

A Bethel publication commemorating Bethel's tenth birthday says in its concluding chapter:

The people of West Garfield park have been pouring time and energy into the community for 10 years now, involving thousands of their neighbors, dozens of institutions, and millions of dollars. Yet the work is just beginning. Despite the enormous progress on some fronts, drug abuse and crime still dominate many streets, and the infant mortality rate, though declining, remains among the worst in the nation . . . [E]ven if the employment center can double its current placement of 500 people per year, that would still be a tiny sliver in a community of 35,000 people with an unemployment rate of 27 percent, and where nearly 40 percent of young males are jobless.

Patrick Barry (1989). Building the Walls. Chicago: Bethel New Life, p. 79. The chapter ends with a quotation from a resident. "It will probably take 20 more years to build a really healthy community. But we are making progress." *Id.*, p. 81.

⁸²New York Times, 1992b. p. B83.

⁸³The New Community Corporation of Newark, New Jersey, is almost as old as Restoration Corporation and, like Restoration, has achieved wonders in housing and economic development, job training, health care, and more. Yet like Bedroord-Stuyvesant, the New Community neighborhood, according to Neal Peirce, is "still beset by deep poverty, by ravaged public housing structures, vast empty lots, graffiti, weeds and chicken wire fencing," even while the drug culture "is making the world around New Community ever more violent and fearful." Baltimore Sun (1992). "A Safe Haven in Central Newark," April 1992.

We put to one side as a different genre of activity the large scale central city economic development projects that have successfully increased the office, retail, and tourism revenues of cities such as Baltimore, Pittsburgh, and Seattle, but which have resulted in few gains for impoverished neighborhoods nearby. John C. Teaford (1990). The Rough Road to Renaissance. Baltimore: Johns Hopkins University Press, pp. 306-13. Bernard J. Frieden and Lynne B. Sagalyn (1989). Downtown, Inc. (Cambridge, Ma.: MIT Press), pp. 287-316. In Atlantic City, New Jersey, where gaming revenue alone equals \$8 million per day, population has dropped by half and few jobs go to the remaining city residents. New York Times (1990). December 24, 1990, pp.25. 26.

⁸⁴John McKnight and John Kretzmann (1990). Mapping Community Capacity. (Evanston, Il.: Center for Urban Affairs and Policy Research, Northwestern University), p. 1. Peirce uses the same ladder metaphor. "The manufacturing-based economy of our urban centers has undergone wrenching change. In cities and working-class suburbs that used to be ladders of opportunity for our poorest migrant, the bottom rungs of the ladder have been sawed off. In the transition to a more information—and service-driven—economy, hundred of thousands of low-skilled jobs have vanished; real wages for a worker with a high school or elementary school education have plummeted, often well below the poverty line. Welfare dependency has ballooned . . ." Peirce, 1993, pp. 17-18.

⁸⁵*Id.*, pp. 19-20.

⁸⁶Baltimore Sun (1993a). May 9, 1993.

⁸⁷Baltimore Sun (1993b). July 12, 1993.

⁸⁸Wilson, 1987, pp. 140-64.

⁸⁹Williams and Sander, 1993, pp. 2005-06.

⁹⁰Improving the schools in East Harlem, New York, took the better part of a decade. See Seymour Fliegel with James MacGuire (1993). Miracle in East Harlem: The Fight for Choice in Public Education. (New York: Times Books).

⁹¹Lisbeth B. Schorr with Daniel Schorr (1988). Within Our Reach: Breaking the Cycle of Disadvantage. (New York: Anchor Press).

⁹²Ellwood, 1988.

⁹³Nelson, 1993.

⁹⁴Rebecca London and Deborah Puntenney (1993). A Profile of Chicago's Poverty and Related Conditions. (Evanston, IL: Center for Urban Affairs and Policy Research, Northwestern University), pp. v-ix.

⁹⁵Of South Shore, a black community of 61,000 on Chicago's south lake front, which has experienced strong housing rehabilitation work and associated entrepreneurial development, it is said, the key to the renewal of the community has been "residential housing." Ronald Grzywinski (1991). "The New Old-Fashioned Banking," Harvard Business Review (May-June 1991), p. 93. See also, The New Republic (1989). "A Poverty Program That Works," May 8, 1989, p. 24: "[I]t became clear that the key to stabilizing the [South Shore] neighborhood . . . [was] rehabilitating the apartment buildings that housed 70 percent of its people." So if South Shore is a kind of success story, which it is, why doesn't it teach us that housing policy (here, apartment rehabilitation) is the crucial ingredient in ghetto revitalization?

The answer is that South Shore was not a ghetto when the housing revitalization work began, though it was headed in that direction. In the early 1970s, when the South Shore Bank embarked upon its neighborhood revitalization mission, despite a nearly 100 percent racial turnover in the preceding decade South Shore was still "perhaps two-thirds middle and working class, one-third underclass." New Republic, 1989, p. 23. And "most of the housing was still retrievable" (heating systems, copper pipes, radiators still in place). Grzywinski, 1991, p. 93.

In such a community, where most of the people are not underclass and much of the housing stock is intact—which is not the ghetto poverty area situation addressed in this paper—preserving and rehabilitating the housing may indeed be the critical neighborhood stabilization step, as it evidently was in South Shore.

⁹⁶The long time frame for even successful community revitalization resonates with Hughes' point about "hold[ing] hostage the fortunes of inner-city residents" to our ability to rebuild inner-city employment. One thinks particularly of the children, and the contrasting experiences of Dantrell Davis and Jason Bronough.

⁹⁷"The housing developed by CDCs is overwhelmingly targeted to . . . people with incomes below 80 percent of the area median . . . Over 1,000 community development corporations . . . said they target upwards of 90 percent of their services to low-income people. The vast majority of these services go to those in the very lowest income brackets—people earning less than 50 percent of the area median income." Changing the Odds, *supra*, pp. 3-4.

Compare the foregoing, written with pride, to Lemann's view that the "clear lesson of experience . . . is that ghetto development hasn't worked." Indeed, Lemann says there is a "danger" in the notion of ghetto development—"advocacy of community-development projects has a crowding-out effect, causing discussion of other, better remedies to cease . . . [W]e should change our reigning idea about what will help most: we should be trying to bring the ghetto poor closer to the social and economic mainstream of American society, not encouraging them to develop a self-contained community apart from the mainstream." Lemann, 1991b, pp. 347-48.

⁹⁸Wilson, 1987, p. 56.

⁹⁹*Id.*, p. 57.

¹⁰⁰*Id.*, p. 144.

¹⁰¹*Id.*, pp. 58, 144.

¹⁰²Community rebuilding organizations may be moving toward the mixed-income approach. The Bedford-Stuyvesant Restoration Corporation hopes to focus future housing initiatives on moderate-income housing. New York Newsday, 1992, p. B5. Since the mid-1980s, in the western portion of the South Bronx, community groups have brought about the construction of over 1,000 single family homes for moderate-income families to serve as "seeds for transformation." New York Times, 1993, p. B3. Mary Nelson of Bethel New Life likewise stresses the importance of attracting residents with higher incomes. Nelson, 1993.

George Galster and Ronald Mincy have used 1980 and 1990 census data to create an "exploratory" model predicting poverty growth for census tracts of varying racial and ethnic characteristics. They conclude that external (to the neighborhood) macro variables such as the number and location of jobs have the greatest effect on poverty growth. Nevertheless, they do find that an increased proportion of middle-income families (those with incomes greater than \$30,000) is one internal neighborhood variable having a significant negative effect on poverty growth. Galster and Mincy, 1993, p. 303.

¹⁰³Pub. L. 102-389, 106 Stat. 1579 (October 6, 1992).

¹⁰⁴Pub. L. 101-235, §501 (December 15, 1989).

¹⁰⁵101 Cong. Rec. S16599 (November 21, 1989); Pub. L. 101-235, §504.

Actually, Shorebank's success may make the worst ghettos worse. The drug dealers and pimps who are cleared out by Shore Shore's landlords have to go somewhere, so South Shore's gain is some poorer neighborhood's loss. This is unfortunate, but if we are to rescue any of urban black America, it is probably inevitable. The culture of crime, drug abuse, and poverty can engulf community after community if we let it. The first step toward eliminating it is to confine it—to secure at least some inner-city neighborhoods where black children can grow up with role models who make a good living doing honest work. (*Id.*)

¹¹³See also a thoughtful discussion by Lewis H. Spence, formerly Receiver for the Boston Housing Authority and currently Receiver for the City of Chelsea, Massachusetts. Lewis H. Spence (1993). "Rethinking the Social Role of Public Housing," *Housing Policy Debate*, vol. 4, no. 3, p. 355. Spence refers to the "social capital" theory of Harvard's Professor Robert Putnam who contends that where you live and whom you know, the networks and organizations that constitute the "social capital" of working neighborhoods, helps define who you are and thus to determine your fate. A program to "ensure that families of the nonworking poor are integrated with the working poor," Spence argues, would help stitch up the social fabric of public housing communities. *Id.*, pp. 364-67.

These are of course the very considerations that justify—we would say compel—the use of some of our limited assisted housing resources for persons who are not themselves very poor. It is argues by some that these resources should be "targeted" on our most needy families, those with "worst-case needs." Kathryn P. Nelson and Jill Khadduri (1993). "To Whom Should Limited Housing Resources Be Directed?," *Housing Policy Debate*, vol. 3, no. 1, p. 67. In the community revitalization context, the arguments of Spence and the National Commission on Severely Distressed Public Housing are wholly persuasive to the contrary (even though the compassionate instinct from which the targeting recommendation springs can be understood and sympathized with). If the analysis in this paper is sound, we do the very poor no great favor by warehousing them in poverty-concentrated, racially-segregated places, even though the warehouses be nice ones. Rather than opposing mixed-income strategies, advocates for the poor might do better to mount an effective campaign to redirect some of the assisted housing resources that currently benefit wealthy homeowners. See note 68.

¹¹⁴*New York Times*, 1991a, p. 1

¹¹⁵Schorr, 1988.

¹¹⁶Mickey Kaus (1992). *The End of Equality*. (New York: Basic Books).

¹¹⁷Each approach, DeParle observes, has its skeptics. "Empowerment" will do little, critics say, for people who have never worked or whose skills can land them only minimum-wage jobs.

Schorr herself acknowledges that the scaled-up social programs she espouses are only half a loaf. "[E]qually essential," she writes, "are policies to promote economic growth, to create more jobs and expand job training, and to assure that people who work can earn enough to support a family." Schorr, 1988, p. xxiii. Shlay notes that even multiple services designed to enhance a family's labor market position "neither create employment opportunities nor eliminate spatial or racial barriers to employment." Shlay, 1993, p. 489.

Doubters about the efficacy of overhauling welfare say it fails to address other urban problems—such as crime, drugs, bad schools, the lack of skills and education of so many of the ghetto poor—without whose amelioration the ghetto cannot be changed.

The economic approach is faulted because creation of a full employment economy has eluded policy makers for most of the century and is likely to continue to do so, because even a strong economy would not overcome racial discrimination, and because the main inner-city problem may not be economics but social ills such as the underground drug economy and welfare dependency.

DeParle concludes his summary of the four approaches with a reference to Gautreaux. "Some argue," he writes, "the best solution is not to build up slums but to get their residents out." *New York Times*, 1991a, p. 1.

¹¹⁸*Chicago Tribune*, 1992a, p. 1. Longworth's "two nations" view is echoed by Peirce, reporting on an international look at both European and North American cities for the German Marshall Fund: "[T]wo societies now exist side-by-side in many of the cities of the North Atlantic Community: a mainstream population, able to access, adapt to, and take advantage of opportunities in the new global economy; and growing concentrations of alienated, poverty-stricken, chronically unemployed people . . ." Peirce, 1993, p. 299.

¹¹⁹*New York Times*, 1991a, p. 12.

¹²⁰Kasarda, 1985, p. 61.

¹²¹*Id.*, p. 59.

¹²²*Id.*, p. 62.

¹⁰⁶At first glance it might seem odd to launch a discussion of community improvement with the recommendations of a commission on public housing—where some of the very worst of our communities are to be found. A second glance reveals the appropriateness of the launching pad. Public housing, having been forced to house almost exclusively the poorest of the poor, illustrates what happens to a community that loses its working population and becomes a community composed almost entirely of nonworking, impoverished families—it becomes “severely distressed.” Having thus identified the problem, the commission—albeit gingerly, for there are political concerns—advocates “a mix of incomes to include a greater number of households with members who are employed.” National Commission on Severely Distressed Public Housing (1992). Final Report. (Washington, D.C.: U.S. Government Printing Office), p. 69.

¹⁰⁷Chicago Housing Authority (1993). The Urban Revitalization Demonstration Program, pp. 10, 29, 31, 38. (HOPE VI application).

¹⁰⁸Pub. L. 101-625, sec. 522 (November 28, 1990). MINCS has four components. First, it mixes low-income but working families and very low-income public housing families in an existing public housing development. Second, it also mixes moderate- and low-income families in privately developed and owned companion housing. (One-quarter of the units are rented to the housing authority to replace the very low-income units “lost” in the first component.) Third, for the public housing families in the private units it provides comprehensive services designed to move families toward greater self-sufficiency, and imposes reciprocal behavioral requirements, such as remaining drug and crime free, upon pain of losing their apartment. Fourth, it forces these same families to save—rent increases are put into an interest-bearing escrow account which goes to the family upon completion of the program, or sooner for such things as purchasing a home or college expenses. See Shlay, 1993, pp. 471-72.

¹⁰⁹Larry McCarthy (1993). (President, RESCORP Realty.) Telephone conversation with Julie Elena Brown, Business and Professional People for the Public Interest, August 27, 1993. The phone call from the tenant echoes the following from a Chicago Sun-Times editorial:

What it [Lake Parc Place] means for families is something more than a decent home. It is the creation of a neighborhood, albeit a vertical one, in which role models and working values, instead of disintegration and hopelessness, are on display.

Quoted in N'Digo. (1993). “The House That Lane Built,” April 1993, p. 6.

¹¹⁰Vincent Lane (1993). Conversation with author, November, 1993. From this perspective the tension sometimes encountered between those who favor mobility and those who favor community rebuilding is needless, for mobility is seen as a helpful, perhaps essential, part of the rebuilding strategy.

¹¹¹Chicago Tribune (1993). “Daley and CHA taking city in a new direction,” December 7, 1993, p. 1.

Providing housing for working and even middle class families raises the spectre of gentrification and displacement of the poor through rising land values and rents. It is therefore important to drive early “stakeholds” for low-income families in revitalizing neighborhoods with scattered site public housing and long term housing authority leaseholds. Beyond this, property tax relief arrangements can and should be made to “protect” resident low-income families. One such device is legislation that permits elderly and disabled persons to defer payment of property taxes until death, home equity guaranteeing payment of the deferred taxes. See, e.g., an Illinois law that permits such deferral, 320 ILCS 30/1 *et seq.* California's Proposition 13 has the effect of shielding homeowners in gentrifying neighborhoods from displacement due to escalating property taxes by limiting increases in a property's assessed value to two percent per year. Reassessment occurs only after property has been sold. California Constitution, Article 13A, section 2. Imaginative use of various techniques can allay gentrification concerns, but it is vital to deal with this critical matter early and effectively in the planning stage of a mixed-income community rebuilding effort.

¹¹²South Shore was a mixed-income community, not a ghetto poverty area, before racial change and deterioration began in the late 1960s, and it has remained a mixed-income community with a median family income of over \$23,000 in 1990, up from \$16,000 in 1980. Yet its population has declined, from 77,000 in 1980 to 61,000 in 1990, unemployment is up, from 13.2 percent in 1980 to 15.6 percent in 1990, and the percentage of persons in poverty has risen from 23.3 percent in 1980 to 27.4 percent in 1990. South Shore Bank officials are among the first to concede that their work has not turned around the local economy, improved the local schools, or dealt with the persisting crime problem. Baltimore Sun (1993c). “Fixing Homes, Fixing Lives,” August 29, 1993. Although South Shore is thus the story of a limited success, the work of Shorebank (South Shore Bank's parent) and its several subsidiaries undoubtedly saved South Shore from becoming a true ghetto. The final section of this paper discusses prescriptions for such “true ghetto” areas.

South Shore exemplifies the “development banking” approach to community revitalization—a for-profit banking institution subject to the discipline of the market, focused nonetheless on revitalizing a particular community. (Not solely through banking; Shorebank's subsidiaries include a for-profit real estate development company and a non-profit neighborhood service organization.) “Deliberate, disciplined development banking in a disinvested community” is the way Shorebank's chairman describes the core of the technique. Grzywinski, 1991, p. 97. Yet Shorebank's managers themselves “do not claim that their model would work in the very worst ghettos.” New Republic, 1989, p. 25. Indeed, Osborne speculates that Shorebank's success may harm other neighborhoods:

¹²³*Id.*, p. 61.

¹²⁴Kaus, 1993, p. 117, 119.

¹²⁵*Id.*, p. 120.

¹²⁶“[R]esidential segregation thus guarantees their [blacks’] economic isolation as well. Because blacks have weak links to white society, they are not connected to the jobs that white society provides. They are put at a clear disadvantage in the competition for employment, and especially for increasingly scarce jobs that pay well but require little formal skill or education. This economic isolation, moreover, is cumulative and self-perpetuating; because blacks have few connections outside the ghetto, they are less likely to be employed in the mainstream economy, and this fact, in turn, reduces the number and range of their connections to other people and institutions, which further undermines their employment chances. Given the levels of residential segregation typically found in large American cities, therefore, the inevitable result is a dependent black community within which work experience is lacking and linkages to legitimate employment are weak.” Massey and Denton, 1993, p. 162.

¹²⁷Kaus, 1993, pp. 124-34. Peirce agrees. “We believe that for the hardest to employ in American citistates, a parallel type of program is needed [something like our old WPA]—a payment a little above welfare, perhaps with some basic day care and health benefits, for persons willing to clean and rehabilitate parks, maintain city streets, tend to aged people, assist teachers or community police officers, or work directly with disturbed children and families. The system ought to see to it that people who are willing to work get constructive employment—and don’t remain poor.” Peirce, 1993, p. 315.

¹²⁸Kaus, 1993, pp. 121-35.

¹²⁹*Newsweek* (1993). December 20, 1993, p. 34.

¹³⁰Job training programs rarely provide such commitments. Patricia Carter, John Dilts, and Janel Highfill (1994). “Employment and Training and the Urban Workforce,” a background paper prepared for the Chicago Urban Partnership Symposium. (Chicago, IL: The Center for the Study of Urban Inequality, Irving B. Harris Graduate School of Public Policy, The University of Chicago).

¹³¹Paul Simon (1987). *Let’s Put America Back to Work*. (Chicago: Bonus Books), pp. 132-33.

¹³²Economic restructuring has intervened since blacks moved from the south to northern cities in the first half of the century. Then a strong back sufficed for a living-wage job; today only a strong mind will do.

“The experts say that for Americans to make themselves marketable and to stay employed they need computer literacy, a solid grounding in the three R’s, apprenticeships for those who do not go on to college, and constant retraining to keep pace with rapidly changing technology and employers’ needs.” *New York Times* (1994b). “Job Security Hinges on Skills, Not on an Employer for Life,” March 12, 1994, pp. 1, 7.

“[W]orkers at all levels will have to shift from manual to mental work, deal with quantitative and symbolic information, and perform multiple tasks.” Carter, Dilts, and Highfill, 1994, p.4.

We said earlier, perhaps too quickly, that the education/skills deficiency could be dealt with over time, referring to the experience of Gautreaux mothers and, especially, Gautreaux children. True enough; for mothers and young children Gautreaux-type mobility may be the crucial first step in getting the education and skills needed for today’s jobs. But for many of those who remain, even in mixed-income communities such as South Shore, facing the obstacles not only of education/skills deficiencies but of dysfunctional families and neighborhoods as well, a CCC-type program may be the only life buoy around.

Quoting historian Stephan Ambrose, columnist David Broder Writes of the New Deal CCC:

“It [the CCC, run by the military] pulled those kids out of the morass of their lives, gave them a sense of identity and discipline and of group purpose—same things they need now.”

Chicago Tribune (1992b). “The military can play a role in putting youth on the right track,” May 14, 1992, Sec. 1, p. 27.

¹³³Kaus, 1993, p. 135. Irving B. Harris has computed the annual cost of the “failure to bring children up to be successful” at about \$240 billion. Irving B. Harris (1993a). “The Economic Costs of Poverty,” unpublished paper (on file with Business and Professional People for the Public Interest).

¹³⁴Shlay, 1993, pp. 487-88.

¹³⁵Wall Street Journal (1993). "The Coming White Underclass." October 29, 1993, p. A14.

Irving B. Harris' argument—chillingly persuasive—is that even if every woman, regardless of income, had access to family planning and abortion services, at least 500,000 babies would be born at high risk each year who would require comprehensive and intensive intervention programs. Irving B. Harris (1993b). "Education—Does it Make a Difference When You Start?," The Aspen Institute Quarterly, vol. 5, no. 2 (Spring 1993), pp. 48-49.

Schorr's Within Our Reach shows that we have the know-how to supply the needed comprehensive services on a small scale, but that we have nowhere done so on a scale to match our needs. What we require is a change in governance, a comprehensive, integrated human services delivery system mandated by law—for nothing short of a legal mandate will overcome fiefdom struggles among government agencies and private sector service providers. The Annie M. Casey Foundation says it all in this respect in, "Found Difficult and Left Untried," AEC Focus, A Report From the Annie E. Casey Foundation, vol. 3, no. 1 (Winter, 1993), p. 3.

¹³⁶Kaus, 1993, p. 116-120.

¹³⁷National Council on Crime and Delinquency (1993). Reducing Crime in America: A Pragmatic Approach. (San Francisco: National Council on Crime and Delinquency), p. 26.

¹³⁸Kaus, 1993, p. 129.

¹³⁹Not, of course, that we don't require major programmatic medicine beyond the welfare/jobs prescription in each of the three areas. Yet we do not lack for wise counsel. For example, as to the deluge of high-risk births, see Irving B. Harris (1992). "Primary Prevention vs. Intervention," address delivered February 5, 1992, at Columbia University, Graduate School of Journalism (on file with Business and Professional People for the Public Interest). As to drug addiction and associated crime, see National Council on Crime and Delinquency, 1993. As to ghetto area public schools see Schorr, 1988, pp. 215-55, and Fliegel with MacGuire, 1993.

¹⁴⁰Rudolph R. Dreikurs (1989). Fundamentals of Adlerian Psychology. (Chicago: Alfred Adler Institute), pp. 91, 95-96.

Sooner or later, talking about work and welfare leads one to a discussion of the "culture of poverty" on which social scientists have over the years lavished countless words. Simply put, "culture of poverty" means that people who grow up or live for a long time in a poverty community are likely to adapt to such a community (humans being almost infinitely adaptable). The young, for example, may become "dependent on the underground economy," and the techniques of and motivation for work are likely to be lost. The debate, easily politicized, is over whether people become acculturated to poverty and welfare rather than work, and in some sense therefore are or become "responsible" for their condition, or whether they are victims of "outside" societal forces over which they have no control. See, e.g., Banfield, 1974.

The debate is really pretty pointless, for both "sides" are right—people do adapt, and outside forces are responsible. The real question is, Given where we are now, what should we do about it?