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## Behind the Facade

**The failed public housing movement left dozens of cities riddled with pockets of crime and poverty. For a decade and counting, developers have hailed the mixed-income housing model as the perfect solution to clean up neighborhoods and improve living conditions. But just how perfect is it?**

By: [Rachel Z. Azoff](#)



You'd think the 900 residents of Bowen Homes in Atlanta would have rejoiced as the wrecking ball made its way toward the isolated, crime-riddled 63-acre public housing project in early June. The demolition of the sprawling complex of two-story orange duplexes will make way for a glamorous new mixed-income community to be built by private developers over the next several years.

But 18-year Bowen Homes resident Shirley Hightower saw no reason to celebrate. "I wasn't at peace with the decision to tear down Bowen because I felt it was wrong," says the 54-year-old Hightower, who served as president of the residents' association. "It was where I lived with my children; I felt comfortable there."

Instead, Hightower wanted the Atlanta Housing Authority (AHA) to renovate the building. That was not in the cards. Hightower's wish is in direct contrast with a movement across the nation to tear down all remaining public housing projects. Many contend that the visionary public policies of the New Deal gave way to misguided strategies that ultimately transformed the housing projects and towers built starting in the 1930s from centers of hope to prisons of concentrated crime and poverty. Last year, for instance, Bowen Homes saw five young men

killed in a five-month stretch.

Renee Glover, executive director of AHA, says that Hightower's preference to stay at Bowen Homes instead of wanting the freedom to live at a property of her choice (with the help of a voucher) is the exception, not the norm. "If you were to survey all these families, by and large, families want Section 8 vouchers; I don't care what city it is," Glover says. "There isn't any debate as to what happens to families in these horrible places. When you have these kinds of crime rates, drugs, criminal activity, failing schools, and on and on and on, it doesn't take a rocket scientist to know that is not a good living arrangement for families—and especially children."

In 1936, Atlanta built Techwood Homes, the country's first housing project. Now, with the demolition of Bowen Homes, the city is again leading the way, becoming the first major metro in the country to eliminate all of its large public housing projects. Since September 1994, AHA has sponsored the redevelopment of 16 former public housing projects into mixed-income communities featuring a blend of market-rate and subsidized units developed through a combination of public and private financing.

AHA is confident its plan to transform public housing will work, despite public concern. "You get all extremes of reaction to the Atlanta story," says Larry Vale, a professor of urban design and planning at Massachusetts Institute of Technology. "People see it as the worst of urban renewal and displacement, and others will point to data saying the people are better off with vouchers that get them out of concentrated poverty. It may be that some of each is true."

The idea isn't a novel approach. Jack Kemp, former secretary of the U.S. Department of Housing and Urban Development (HUD), first proposed the mixed-income concept in the early 1990s. The approach gained significant traction under President Clinton with the implementation of the HOPE VI program (originally known as the Urban Revitalization Demonstration), designed to change the physical shape of public housing; lessen areas of concentrated poverty; and establish positive incentives for resident self-sufficiency and comprehensive services that empower residents. During the past 17 years, 248 HOPE VI sites have been built by 131 public housing authorities in 35 states, according to HUD.

Indeed, over the past decade, mixed-income developments have swept the country, hailed by many as the saving grace of the failed public housing movement, which left cities plagued with isolated pockets of crime and poverty. But is it? From the outside, mixed-income living does appear to be the perfect solution. Beautifully crafted units on streets lined with newly planted trees welcome residents of all incomes and walks of life, from renters who can only afford to pay a few hundred dollars each month, to those who earn twice that amount in one day. But a closer look behind that pretty façade suggests that the current incarnation of mixed-income development may not be the panacea that public housing residents so desperately need. The primary problem: Mixed-income housing does not replace, one-for-one, every unit of affordable public housing that is demolished. And that has residents, researchers, and affordable housing developers debating the benefits and challenges of the mixed-income model.

## **A Different Choice**

So what exactly happened to Hightower and the other 899 residents of Bowen Homes? All residents received a housing choice voucher, which serves as a coupon for reduced rent at a number of privately-owned properties throughout Atlanta. Though Hightower admits the housing authority helped her find a unit, she isn't thrilled with her new home. "It's not the best place to be," she says, referring to her new neighborhood in East Point, a section of Georgia with one of the highest crime rates in the country where a resident's chance of becoming a victim of either violent or property crime is one in 13, according to NeighborhoodScout.com.

A Georgia State University report, which tracks roughly 400 public housing residents who are relocating out of seven communities, says the bulk of Atlanta's voucher housing is located in high-poverty neighborhoods. AHA's Glover, however, argues that the majority of residents benefit from the move out of public housing. She points to the findings of Thomas Boston, a Georgia Tech economics professor who measured the revitalization effort's impact on public housing residents. The report, which documents the socioeconomic status of all households,

including following specific families who received housing assistance every three years from 1995 to 2007, found that the development of mixed-income communities and the growing use of vouchers have greatly improved the quality of life for subsidized renters—despite Hightower’s experience.

The study reports that families have moved to neighborhoods that are much better in quality than those surrounding public housing developments; the improved locations and new work/program requirements have increased adult employment and household income; and children have access to better schools. Furthermore, the study found that there is a societal benefit to the move to mixed-income. By accounting for the net financial gain, the reduction of crime, improvement in quality of housing, and the improvement in school quality, each new community generated, on average, \$123 million in net benefit to society.

Successful as these vouchers may be, some argue that vouchers are not a substitute for hard public housing units. At the center of the mixed-income debate is the loss of one-for-one replacement units that inevitably results when 100 percent public housing projects are replaced with communities that offer a smaller percentage of affordable units. As of March 31, 2009, a total of 92,603 units have been demolished under HOPE VI, with just 66,433 units replaced as part of mixed-income communities, according to HUD.

Proponents of mixed-income housing argue that affordable units aren’t lost. First, a number of units in public housing projects tend to be vacant; secondly, before the projects are torn down, all residents are given housing vouchers. And in a number of cities, including Atlanta and Denver, the switch to mixed-income can even result in a net increase of affordable units: The vouchers given to the displaced residents remain a part of the local housing authority’s permanent inventory, even if some of the residents elect to give up their vouchers and move into a mixed-income community.

Yet critics say the vouchers are not a sure-fire solution—residents still struggle to find housing and often move to marginally safer or less impoverished neighborhoods. “Unfortunately, in a lot of cases, it looks like displaced residents go to communities that might not have vertical poverty in the form of high-rise public housing but horizontal poverty. They are going to communities that are racially and economically segregated,” says Mark Joseph, a professor at the Center for Urban Poverty and Community Development at Case Western Reserve University. (To prevent this “horizontal poverty” from happening in Atlanta, the housing authority has a policy that restricts vouchers in properties that already have 40 percent of any type of subsidy.)

But the greater concern is that vouchers will be of no help at all if there is an overall shortage of housing in a particular area. In June, Rep. Barney Frank (D-Mass.), housing financial services committee chair, and Rep. Maxine Waters (D-Calif.), housing and community opportunity subcommittee chair, sent a letter to HUD Secretary Shaun Donovan asking that HUD issue a one-year moratorium on the demolition or disposition of public housing units. “A further decline in the number of public housing units will only exacerbate the affordable housing needs of our most vulnerable populations and may force them into substandard or unsafe housing situations or homelessness,” the letter states. (As of press time, HUD had not responded to the letter.)

<b>The Big Picture</b>					
<i>Eight of the country’s largest housing authorities are on a mission to rid their cities of antiquated public housing units. But the shift from hard affordable units to a largely voucher-based system is contributing to a growing shortage of affordable housing stock in the country.</i>					
	<b>No. of total public housing units</b>	<b>No. of units demolished in past five years</b>	<b>No. of units projected to be built in next five years</b>	<b>No. of housing vouchers in circulation</b>	<b>Annual operating budget*</b>
<b>New York City Housing</b>	179,676	156	6,000	96,568	\$2.7 billion

<b>Authority</b>					
<b>Chicago Housing Authority</b>	23,738	5,719	7,750	36,447	\$944 million
<b>Philadelphia Housing Authority</b>	16,605	880	1,200	16,500	\$104 million
<b>Boston Housing Authority</b>	11,006	1,053	902	12,617	\$123 million
<b>Miami-Dade Housing Authority</b>	9,140	570	354	14,534	\$254 million
<b>D.C. Housing Authority</b>	8,515	1,019	1,093	10,483	\$340 million
<b>Newark (N.J.) Housing Authority</b>	8,263	105	1,271	3,500	\$140 million
<b>Cuyahoga (Ohio) Housing Authority</b>	9,715	Undisclosed	775	14,000	\$201.8 million
<i>* Most recent fiscal year figures available</i>				<i>—Amber V. Smith</i>	

Unfortunately, Chicago has already seen that happen, according to data from the Chicago-based Coalition to Protect Public Housing. Chicago’s highly-publicized “Plan for Transformation,” has resulted in the demolition of more than 15,000 units of housing over the past seven years. Though the plan includes an effort to construct 17,000 mixed-income units, fewer than 1,000 new replacement units had been constructed as of 2006, when the Coalition’s report was released. This net loss of more than 14,000 housing units has resulted in homelessness for hundreds of former public housing residents—more than 160 families were identified in a five-month survey of three of Chicago’s more than 20 homeless shelters.

“We have been pushing for a year to try and get a moratorium on housing,” says DeAngelo Bester, director of the housing justice movement at the National Training and Information Center, a Chicago-based resource provider to community-based groups across the country. “While we are in favor of mixed-income communities in theory and in practice, it hasn’t turned out to be the best for folks who live in public housing. Our concern is a lot of people will be displaced, they won’t be able to find homes, and will lose their vouchers because they can’t find a place that is affordable.” Bester is hopeful that Congress will impose a moratorium by the fall.

That’s not all Congress needs to do. Richard Baron, chairman and CEO of St. Louis-based McCormack Baron Salazar, which specializes in mixed-income development, says Congress needs to step up in order for one-for-one replacement of affordable units at mixed-income developments to become a reality. “Congress needs to provide the funds to do one-for-one,” Baron says. “There is plenty of land in these cities. St. Louis, for instance, has hundreds and hundreds of acres of vacant land, and you could build 10 [mixed-income sites] instead of four. If we are really serious about it as a nation, then there will be more in the HUD budget to do it.”

### **If You Build It, Will They Come?**

For those fortunate enough to score an affordable unit at a brand-new mixed-income community, many say it’s worth the wait. Bessie Brown, 62, spent 30 years at Atlanta’s Capitol Homes public housing project. She has now lived at the newly developed mixed-income community, Capitol Gateway, for two years and says she couldn’t be happier. “It’s so much different [than my old home],” she says. “Where I used to live wasn’t safe at all. There was a lot of crime, and now the crime is gone. We have security. We have central air. I love it.”

Displaced residents such as Brown are typically first on the list to get a unit when a mixed-income community

opens, but not everyone wants to move back. “There’s been a little unexpected difficulty in attracting relocated public housing residents to return to the units,” Case Western’s Joseph says. “If anything, it was assumed that this part of the process would take care of itself. You are building these wonderful new units.”

As great as these units may be, it can take five or more years for the development to be completed, and, in that time frame, the displaced public housing residents have settled into new neighborhoods and don’t want to move again—or they are not sure they will fit into the new community and therefore decline the invite. And for those who do want to take advantage of the new community, the logistics of the move-in process can be time-consuming. “So there have been brand-new units that have sat vacant because it has been hard to get a resident into the unit,” Joseph adds.

Meanwhile, attracting residents to the market-rate component of these mixed-income communities has been easier than expected as prospects are drawn to the developments’ great locations, often in the heart of the city and near public transit. “What we find in a lot of these communities is the market-rate units are the first to go,” Baron says. “These areas have been disinvested in, but we do enough [improvements] to create a sense of scale and build in the amenities people want. We spend an enormous amount of time on design, and people think they are at an [entirely] market-rate development.”

That is, until reality sets in. For resident Katherine Quickery, a great location in a transitional neighborhood convinced her to purchase a two-bedroom condo unit at Westhaven Park Tower in Chicago, a mixed-income property that opened in the spring of 2006 as part of the redevelopment of Henry Horner Homes, one of the city’s most notorious public housing projects. But the community has not lived up to her expectations, and Quickery says she would sell her unit if the economy was better.

“This is the first time I’ve lived in a mixed-income community, and I had some hesitation,” says the 46-year-old of moving into the building, which is home to 79 condo units and 34 subsidized rentals. “One of the reasons I purchased a unit in this building is because I was told it would have security and the Chicago Housing Authority [CHA] renters would have to have jobs and no felony records.”

But Quickery says not only has the security been lacking (the condo association has fought CHA several times for increased security funding and eventually won), but problem residents are not evicted. “We have problem units and for three years, the tenants are still here,” she says. “Finally, something has been done but that has been the biggest hassle. The CHA renters I do have interaction with are lovely people, and I think mixed-income is a great opportunity, but it’s the element of a few of them who have really ruined it for the rest of us. I see a lot of residents who bring in people who cause disturbances and make it an undesirable and embarrassing place to live.” (The building’s manager, Interstate Realty Management Co., did not return calls for comment.)

### **Won’t You Be My Neighbor?**

Quickery’s experience highlights the challenge of blending residents from vastly different socioeconomic backgrounds under a single roof—one of the lofty goals mixed-income advocates believe can be achieved through the model. Developers also stress the social importance of integrating public housing residents with the rest of the population. “I have been working in public housing for 40 years, and there is nothing that I can imagine that is less helpful than kids growing up in a community that has 100 percent of the families female-headed with no fathers around and having no models of people going to work everyday,” Baron says. “I can tell you story after story of public housing residents who have called me after they have been living in a mixed-income development for years, and their kids are living next to two-parent families and going to ball games with other families. The socialization process is so much better.”

Yet not every family experiences such a dramatic change in lifestyle. “It’s pretty clear now across the country that we are seeing very low levels of social interaction and relationship-building across these socioeconomic boundaries,” Joseph says. “People tend to stick to themselves, even with their own groups. If we can accept that there probably won’t be deep levels of relationships forming among residents, I still think we can set a high goal in terms of people learning to be effective neighbors. This doesn’t mean they are going to become best friends,

but it does mean they are going to learn about each other's backgrounds, and most importantly, identify some shared interests and common expectations for what life should be like in that community."

Having the same expectations for all renters, regardless of how much they pay for a unit, is critical to the successful integration of residents, says Ismael Guerrero, executive director of the Denver Housing Authority. "You need to have equal expectations as far as what is appropriate behavior, how to maintain units, and basic rules of respect and community living. We have found that has worked very well," he says.

While subsidized renters may not become best friends with their new market-rate neighbors, they generally are extremely satisfied with their physical living environment—a well-designed unit in a safe neighborhood near good schools, Joseph says. Yet, they likely lose the sense of community and connection they experienced with their neighbors in the former public housing project. "While in many senses it was an environment where no one should have to live, in another sense there were elements of constructive and supportive communal life," Joseph adds.

Shirley Hightower can attest to that.

## Reverse Thinking

**High-density housing in Denver allows for one-for-one replacement of affordable units at mixed-income communities.**



Most cities across the country are trying to reduce the density of subsidized housing. Denver is doing the exact opposite. Unlike the majority of large cities—think Chicago, Atlanta, and Los Angeles—Denver's existing public housing stock is low-density product, and the switch to mixed-income communities allows the Denver Housing Authority (DHA) to triple the density of its sites, resulting in one-for-one replacement of subsidized units, in addition to new workforce housing and market-rate rental and for-sale units.

"For us, mixed-income works very well," says Ismael Guerrero, DHA's executive director. "It's a good way to increase the density; serves as a catalyst for bringing the market back to neighborhoods that have been disinvested in; and allows us to attract private debt and equity as a way to finance the mix. What we have found is, as we redevelop our property, the property values around us go up significantly."

Benedict Park Place, formerly East Village, is the perfect case study. The site, built in the early 1980s, was originally planned to serve as Olympic Village housing. When the city was not selected to host the Olympics, the site became project-based Section 8 housing, and over the years suffered from extreme disinvestment.

“It was a high-crime area, and the buildings were in poor physical condition,” Guerrero says. “It was located on two super blocks not connected at all to the surrounding neighborhood.”

Through \$20 million in HOPE VI funds, the DHA, along with private developers, is demolishing the nearly 250 units and building a total of 873 mixed-income rentals and for-sale units, plus rehabbing a 12-story seniors housing tower. To ensure that the four-story buildings don't encompass what looks like one massive development, DHA hired a different architectural team to design each of the project's four blocks. Roughly 20 percent of the original renters have decided to return to the community. The final phase of construction is expected to be complete by November 2010. —*Rachel Z. Azoff*

## Benedict Park Place

- **Size:** 14.87 acres
- **Project value:** \$203.9 million
- **Total number of units:** 873
- **No. of market-rate units:** 125
- **No. of tax credit units:** 193
- **No. of public housing units:** 280
- **No. of For-Sale units:** 275
- **Funding sources:** HOPE VI, neighborhood investment funds, city funds, private financing, in-kind donations and grants
- **Expected completion:** November 2010

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