

Which Metropolitan Areas Work Best for Poverty Deconcentration With Housing Choice Vouchers?

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Abstract

The Housing Choice Voucher Program (HCVP) offers choice to poor renter households, but only a fraction of the households in the program use that choice to locate in low-poverty neighborhoods. Analysis of metropolitan areas across the United States finds that the typical metropolitan area locates 19 percent of its HCVP households in census tracts where less than 10 percent of the population is impoverished. This rate is less than the share of units with rents low enough for the program found in these low-poverty tracts. Race and ethnicity matter. Non-Hispanic White HCVP households are able to enter low-poverty neighborhoods at a rate greater than the availability of affordable units, whereas minorities are not. The metropolitan areas differ markedly in the percentage of HCVP households who locate in low-poverty tracts. Greater entry into low-poverty tracts is found in soft markets and markets with a high percentage of total tracts that are low-poverty tracts. The level of the Fair Market Rents (FMRs), which govern the HCVP, also proves to influence the level of voucher entry into low-poverty neighborhoods, suggesting that gains could be realized by localized changes to the FMRs.

Introduction

The Housing Choice Voucher Program (HCVP) is the nation's largest rental housing assistance program. It helps 2.2 million households and more than 5 million people (HUD, 2012). This program is characterized in its subsidy delivery by the choice given to the participating household. With project-based subsidy programs, the household enjoys reduced housing costs, but the choice is

constrained. The household must reside where the assisted housing is located to gain the benefits. The HCVP permits the household to locate any place the household can find a unit that will pass physical inspection and is offered at rents that are within the program limits.

The program works well (Turner, 2003). It generates high levels of satisfaction among its participating households, especially among those households that use HCVP to move to neighborhoods with low crime rates and improved access to services (Briggs and Turner, 2006; Comey, Briggs, and Weismann, 2008; Varady and Walker, 2003). Very low-income households given vouchers are less likely to suffer from a high housing cost burden and are more likely to live in quality housing than their poor counterparts (HUD, 2000). By far most voucher households pay 30 percent of their incomes on housing. About one in six households pays more than 40 percent of its income on housing, and although doing so is not permitted in the program's rules, the problem appears to be because of short-term fluctuations in income rather than an inability of the program to accommodate variations in the marketplace (McClure, 2005).

The program is understood to have both income and substitution effects (Jacob and Ludwig, 2008; Shroder, 2002). The voucher augments income, but the increased income, coming in the form of a voucher, is not fungible; it must be used for housing. This restriction generates some distortion in the recipient household's consumption decisions. The voucher also influences employment decisions. In the HCVP, the rent is set at 30 percent of income, which means that any increase in income through additional employment will generate an automatic increase in rent, discouraging additional employment. Researchers disagree on the magnitude of this substitution effect, with opinions ranging from effectively nil to as much as a 4-percent reduction in labor force participation.

The program is relatively efficient. Nearly all the federal tax expenditure goes into the consumption of housing. The public housing authorities (PHAs) that administer the program do so on a shoestring budget (Henriquez, 2013). The program serves the poorest of the poor; the typical HCVP household has an income placing it at 22 percent of the Area Median Family Income (McClure, 2005). The program makes the consumption of good-quality housing affordable for these participating households.

Among the program's successes is that it helps some households locate in low-poverty census tracts, although the number of such households is fewer than we might expect given the availability of units (McClure, 2008). Two aspects of this movement to low-poverty tracts remain unknown: What explains the variation among metropolitan areas in the percentage of HCVP households entering into low-poverty tracts? What does this variation imply for expanding the use of vouchers in a poverty-deconcentration effort? The U.S. Department of Housing and Urban Development (HUD) establishes a Fair Market Rent (FMR) for each metropolitan area that generally does not vary across a metropolitan area. The availability of rental units at rents less than the FMR, however, may vary considerably across a metropolitan area and between low- and high-poverty tracts. Do the limitations imposed through the FMRs inhibit entry of voucher holders into low-poverty areas? The research in this article attempts to explain the variation among metropolitan areas in terms of how well HCVP households are able to locate in low-poverty neighborhoods and tests the hypothesis that the level of the FMRs influences this process.

Literature Review

Using vouchers as a vehicle for deconcentrating poor households is not an articulated goal of the HCVP. The Section 8 Management Assessment Program (SEMAP) evaluates the performance of each PHA that administers the HCVP. Each PHA is given points for performance across 14 administrative areas, leading to a total performance score. Each PHA is given additional points if more of its HCVP households locate in tracts with lower poverty levels (HUD, 2013). Adding points to a PHA's SEMAP rating is, at best, a very minimal endorsement of the goal of poverty deconcentration. Moving poor households out of neighborhoods with high poverty levels and into neighborhoods with low poverty levels is, however, at least implicitly found in two rental assistance experiments supported by HUD.

The first experiment was the Gautreaux initiative. This program was born out of a court settlement, but it was, in effect, a quasi-experiment in the use of vouchers to promote racial integration (Rubinowitz and Rosenbaum, 2000). The effort offered a set of low-income, inner-city households a voucher with the condition that, to receive the voucher, each household must move to a racially integrated, suburban neighborhood. Although its purpose was racial integration, the high correlation between concentrated poverty and the presence of racial minorities meant that the Gautreaux experiment became a poverty deconcentration initiative in addition to its stated purpose of correcting past racial segregation. The households given vouchers with the requirement that they move to a racially integrated neighborhood were compared with another set of households given vouchers without a restriction on the neighborhoods where they could locate. Surveys of participants indicated that those households that moved to suburban locations were 16 percentage points more likely to have a job after they moved, although they did not work more hours or earn higher wages (Rosenbaum, 1995). Survey results also indicated that the children in the households that moved to the integrated suburbs were more likely to stay in school, to be employed after graduation, and to go on to 4-year colleges or universities (Popkin et al., 2000).

The results from the Gautreaux program were always suspect because of the problem of self-selection of the households that moved to the suburbs. The households that entered the program volunteered for participation knowing the requirement to move to the racially integrated suburbs. These households also knew that they would be subject to more stringent screening for past criminal behavior, for past performance in paying rent in a timely manner, and for care of the rental unit. This screening could have caused the movers to the suburbs to be a different population than the households that chose unrestricted vouchers.

Given the doubts that researchers expressed with the Gautreaux results and the desire to learn more about how to deconcentrate poor households, the Gautreaux initiative fostered HUD's Moving to Opportunity (MTO) for Fair Housing Demonstration (Goering, Feins, and Richardson, 2003). This second effort sought poverty deconcentration very explicitly, and the criteria for selecting a neighborhood did not contain a racial component. HUD offered a set of low-income households in five test cities vouchers with the condition that the household must locate in a census tract with a poverty rate of less than 10 percent, with no restrictions on the tract's racial composition or location in the central city or suburbs. The households were surveyed repeatedly during a period of years. The quality of their housing, employment, and health were assessed, as were their educational attainment and many other factors. These results were compared with those of households that

lived in public housing and of other households given vouchers but without any constraints on the poverty level in the neighborhood where they chose to locate. The MTO program had the distinct advantage over the Gautreaux program in that it was carefully designed to be an experiment. Efforts were taken to ensure that the experimental group (households given vouchers with the restriction that they move to low-poverty neighborhoods) could be compared directly with a control group who stayed in public housing and a control group offered vouchers without restriction on where they could move.

The results of the MTO program were mixed. Reviews of the experiment come from different sources. The final report to HUD by a team of researchers outlines the outcomes in some detail (Sanbonmatsu et al., 2011). For an ethnographic study of MTO households in three of the five cities, see Briggs, Popkin, and Goering (2010). A recent issue of *Cityscape*, edited by Ludwig (2012), not only covers the outcomes for the participating households but also reviews the experimental design, its implications from an international perspective, and possible policy responses.

A basic measure of the success of the MTO program is found in the percentage of households that were able to successfully lease a housing unit in a low-poverty tract and continue to reside in a low-poverty tract over time. The results indicate that it is not easy; only about one-half of the households that entered the program were successful at doing so (Shroder and Orr, 2012).

For those households that successfully entered the program, specific outcomes were examined across the five cities during a long period. The positive outcomes were limited but important. Gains for participating households were found in the health benefits realized by adults. MTO adults had a lower incidence of diabetes, extreme obesity, physical limitations, and psychological distress than did adults in the control groups. Many of these positive health benefits are associated with movement away from crime-intensive areas and into relatively crime-free areas. Reducing the stress resulting from a fear of crime appears to have beneficial physical and mental health effects (Sanbonmatsu et al., 2012). Neutral outcomes, even a few negative results, were found in the many tests made for hypothesized outcomes. For youths in the program, the study found few detectable benefits (Gennetian et al., 2012). Schooling outcomes were no different between those households that moved to low-poverty tracts and those that did not, even for those children who were of preschool age when they entered the program. The MTO program also had few detectable effects on physical health outcomes for young people. Where favorable outcomes were found, they tended to be among female youth, particularly on mental health outcomes. Less favorable patterns were found among male youth (Gennetian et al., 2012). The MTO program generated few effects on economic well-being, as measured through employment, earnings, household income, and the receipt of government assistance programs such as food stamps or Temporary Aid to Needy Families (Sanbonmatsu et al., 2012). Turner (2012: 215) offered, "One possible reason that MTO gains were limited to health outcomes is that the special mobility assistance provided by the demonstration did not enable families to gain and sustain access to high-opportunity neighborhoods." Success apparently takes more than a voucher and a directive to move to a tract with a poverty rate of less than 10 percent.

Even with this mixed success, calls have been made to ramp up efforts to use the HCVP as a mechanism to foster greater poverty deconcentration. Polikoff (2006) proposed that 50,000

vouchers be set aside each year for 10 years for MTO-style placement. The thrust of Polikoff's proposal is more focused on racial integration than on poverty discrimination, because he would limit these vouchers to African-American households that would move to low-poverty and low-minority census tracts. If implemented, this initiative could mean that 500,000 households relocate within a decade, meaning that as many as one in every four or five vouchers would be constrained for use in low-poverty areas. Briggs and Turner (2006) suggested that this proposal was slightly premature, because we do not yet know enough about what constitutes a desirable neighborhood for HCVP families. They proposed identifying high-opportunity neighborhoods to which voucher households would be guided. They argued that the identification of high-opportunity neighborhoods should assess the neighborhoods' safety, quality of schools, and access to jobs suitable to the assisted households. It is unfortunate that researchers find little agreement on what constitutes a high-opportunity neighborhood (McClure, 2010). At minimum, we can examine the extent to which HCVP families move to low-poverty neighborhoods and the variation among metropolitan areas in placing these households in low-poverty tracts.

Several studies evaluate the HCVP and its capacity to move households to high-opportunity neighborhoods. Pendall (2000), Basolo and Nguyen (2005), McClure (2010), and Galvez (2010) all examined the extent to which households with vouchers are able to locate in low-poverty tracts. All found that HCVP households are less likely to live in distressed, high-poverty neighborhoods than are other poor renter households but are more likely to do so than all renter households. All authors found that race is a factor; racial and ethnic minorities are less able to enter low-poverty tracts and are more concentrated in high-poverty tracts.

Devine et al. (2003) examined the 50 largest metropolitan areas in the nation to determine where HCVP households locate. Their study found that nearly 30 percent of HCVP households live in neighborhoods with a poverty rate of less than 10 percent and that 22 percent live in tracts with a poverty rate of more than 30 percent. To some extent, successful location in low-poverty areas is a function of living in suburbs versus living in central cities. More than one-third of central-city HCVP households live in tracts with poverty rates of more than 30 percent, but only 6 percent of suburban households live in high-poverty tracts. Race and ethnicity are factors; African-American and Hispanic households are more likely than White households to live in neighborhoods where poverty is concentrated, and White households are more likely than minority households to live in low-poverty tracts.

Galvez (2010) added a temporal component, finding that, although racial disparities persist, African Americans made modest gains over time, whereas Whites lost ground. Feins and Patterson (2005) found a tendency of HCVP households to make a sequence of moves from one year to the next, improving their neighborhood quality in terms of concentrated poverty.

The scale of the neighborhood matters. Nearly all these studies examined census tracts. Tracts can be too large, however, sufficiently large that clusters of HCVP households can form within tracts. These clusters can defeat the intended purpose of poverty deconcentration (Wang and Varady, 2005). Reconcentration of poor households can be a problem independent of the scale of the spatial unit of analysis. Hartung and Henig (1997) found that market forces and personal choices may cause HCVP households to cluster, creating new concentrations of poor households, even in otherwise vibrant metropolitan areas.

This body of research suggests that the HCVP is helping some households to successfully locate in low-poverty neighborhoods. Mandatory requirements that the participating household must move to a low-poverty tract were found to be less than successful. The MTO program may have suffered from being “a good idea weakly implemented” (Briggs, Popkin, and Goering, 2010). Most MTO households stayed in tracts within the same school district (Orr et al., 2003). Meeting the requirement to move to a tract with a poverty rate of less than 10 percent did not compel movement to an economically and racially integrated tract offering good employment prospects or high-performing schools. Moving households away from crime did produce some health benefits, but no economic benefits. A spatial element exists; suburbs show greater success than do central cities at providing housing in low-poverty tracts, but the generation of new poverty clusters remains a problem. Unanswered in this work is an exploration of how well HCVP households enter low-poverty tracts without an MTO mandate. Does the rate vary across metropolitan areas? What might explain the variation? Pendall (2000) specifically noted that market softness drives the process. Softer rental markets—those with greater vacancy rates—facilitate dispersal of poor households. Devine et al. (2003) found that the 50 largest metropolitan areas provide entry to low-poverty tracts at levels somewhat better than was true for the program as a whole, suggesting that larger metropolitan areas may be doing a better job. Does this finding mean that the scale of the market matters? Do larger metropolitan areas facilitate movement into low-poverty tracts? McClure (2010) found that the level of the FMR influences the number of units eligible for use by participating households. If the metropolitan area’s FMRs are more relative to market rents, does that facilitate entry into low-poverty tracts? This variable is the key test variable for this analysis, because it is within the domain of policy. HUD can do little about the size of the market where the HCVP operates or the vacancy rate. It can adjust the FMR if that adjustment could prove beneficial to helping deconcentrate poor households.

Data and Analysis

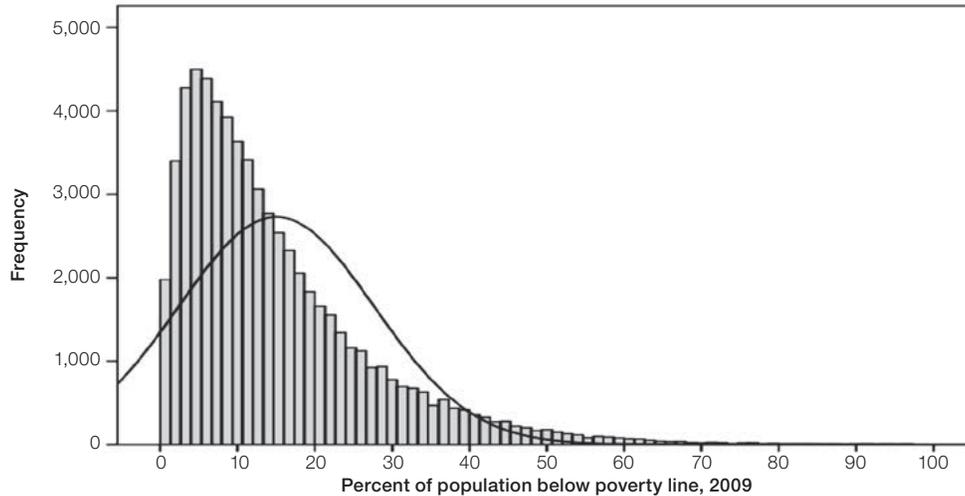
To help our understanding of where HCVP households choose to locate, this analysis examines metropolitan areas across the nation. The examination seeks to explain the variation in the shares of HCVP households in each metropolitan area that locate in low-poverty neighborhoods.

For this analysis, I prepared a national dataset at the census tract level from 2005–09 American Community Survey (ACS) 5-year data. Approximately 65,000 tracts exist nationwide, but this analysis is limited to the 51,000 located in the nation’s 276 metropolitan statistical areas (MSAs). The typical tract contains about 2,000 housing units, about 660 of them for renters. In this study, census tracts are viewed as neighborhoods. The data indicate that the average poverty level among metropolitan tracts is 14.6 percent, but that this poverty level is not normally distributed (see exhibit 1). Rather, most neighborhoods have relatively low poverty levels, and a small share suffer from very high poverty levels. About one-half of all tracts have poverty rates of less than 10 percent, whereas only about 6 percent of all metropolitan tracts have poverty rates of 40 percent or more.

For purposes of this study, a low-poverty neighborhood is defined as one with less than 10 percent poverty. This number is arbitrary, and others could have been chosen, but several arguments exist for using the median figure of 10 percent. First, it narrows the population of neighborhoods to those that are better than the 15-percent average, rather than including many that are about

Exhibit 1

Census Tracts by Percent of Population With Income Below Poverty Line (normal curve superimposed)



Source: 2005–09 American Community Survey 5-year data

average and perhaps less desirable as locations for HCVP households. Second, the number of neighborhoods available with poverty rates less than the 10-percent threshold is ample for the HCVP. One-half of all neighborhoods fit this standard, providing a great many rental housing units. Third, MTO adopted this threshold for its experimental program, and it was found to be workable. Not all applicant households were able to find units, but overall, the program was able to operate with households finding units meeting this requirement. Finally, the 10-percent level is comfortably less than the 15-percent threshold suggested by Galster (2005), less than which incremental growth in poverty has no negative effect on the receiving neighborhood.

I merged 2010 HUD administrative data with the ACS tract data. These data provide counts of households in the HCVP for each tract and describe about 2.08 million households. Only about 0.5 percent of the reported HCVP households could not be located in a tract, a very minimal loss of data. Note also that only vouchers in place are counted. At any given time, many vouchers are either in the process of being awarded to households on the waiting list or have been awarded but the household is still looking for a unit. Of these 2.08 million households, 1.78 million (85 percent) locate in metropolitan areas. It is these HCVP households that reside in metropolitan tracts that form the population for this study.

Descriptive Analysis of the Data

In general, the level of entry into low-poverty metropolitan areas by HCVP households is less than what might be expected (see exhibit 2).

Exhibit 2

Percent of HCVP Households Locating in Low-Poverty Neighborhoods for Metropolitan Statistical Areas

	Percent
All metropolitan statistical areas	
Mean percent	18.7
Standard deviation	11.7
Minimum	0.4
Maximum	67.8
Percent of neighborhoods with poverty below 10 percent	43.9
Percent of rental units in low-poverty neighborhoods	32.8
Percent of rental units offered for less than Fair Market Rent in low-poverty neighborhoods	26.1

HCVP = Housing Choice Voucher Program. N = 276.

Sources: U.S. Department of Housing and Urban Development HCVP data, 2010; 2005–09 American Community Survey 5-year data

Among the 276 metropolitan areas examined, 19 percent of all HCVP households locate in low-poverty tracts. This measure of HCVP entry into low-poverty tracts is normally distributed, with a standard deviation of 12 percentage points. The range is broad, with the lowest poverty metropolitan area at less than 1 percent and the highest poverty at 68 percent.

The interpretation of this 19-percent figure depends on the counterfactual employed. Compared with the number of low-poverty tracts, entry by HCVP participants is minimal. Whereas 19 percent of voucher households enter into low-poverty tracts, a much greater 44 percent of all metropolitan tracts qualify as low poverty. Thus, the voucher households are not distributed as would be expected if vouchers were evenly distributed across all tracts.

The scarcity of rental units may be partly to blame. Rental units are not distributed across the metropolitan tracts of the nation in a manner that is independent of the poverty level. Because the renter population is poorer than the owner population, rental units are more concentrated in moderate- and high-poverty tracts. Low-poverty tracts comprise nearly one-half of all neighborhoods, but they contain only 33 percent of all rental units. The HCVP gives mobility to the participating households, but the households cannot move to tracts where rental units do not exist.

Even where rental units exist, not all rental units are admissible into the HCVP. Rents are limited by the FMRs published by HUD. PHAs are granted some discretion to vary the program’s payment standards, which set the maximum amount of subsidy a household may receive. The FMR is, for most PHAs, set at the 40th percentile of rents in the metropolitan area. The payment standard is the maximum amount that a PHA will pay in support of a household. If the payment standard is set too low, households will have trouble finding units. If the payment standard is set too high, fewer households will be able to be assisted with the available program funds. To accommodate these problems, HUD permits PHAs to set payment standards for each unit size category at as low as 90 percent or as high as 110 percent of the FMR. Where extraordinary circumstances exist, HUD can permit PHAs to vary the payment standards further (HUD, 2001).

FMRs are generally the 40th percentile of rent paid by recent movers. Because they were set less than the median for new mover rents, and because rents for units without turnover tend to be less, the FMRs and the median gross rents in markets roughly align. Variation exists, however, for a variety of reasons. Some markets may use FMRs set at the 50th percentile through a provision granting higher rents to help HCVP households find and lease decent and affordable housing in high-cost markets. Some markets may have very high or very low turnover rates, causing variation in the spread between the FMRs and the typical rents in the market. Some markets may have FMRs that are much less than market rents because of a high incidence of new or luxurious housing, which HUD excludes from its data. Some metropolitan areas are split with multiple FMRs. All these reasons can contribute to variation between the FMRs and the median gross rents in a metropolitan area. This variation permits testing of the influence of different FMR levels on the capacity of HCVP households to locate in low-poverty tracts.

The rent limits imposed by the program therefore vary in each metropolitan area, but the FMRs loosely govern the program. They provide a good estimate of the availability of units that can enter into the program. The low level of entry of HCVP households into low-poverty neighborhoods may be a function of the absence of rental units offered for less than the FMR. Although 33 percent of rental units are located in low-poverty neighborhoods, only 26 percent of the rental units offered for less than the FMR are found in those neighborhoods. A rental housing price effect appears to correlate strongly with the incidence of poverty. Less-than-FMR units are not found in low-poverty neighborhoods in the same proportion as low-poverty neighborhoods are among all neighborhoods.

These conclusions are sensitive to the decision to use 10 percent as the threshold for inclusion in the low-poverty category of neighborhoods. If the threshold is raised to 15 percent, the problems of dissimilar distributions are significantly reduced. Thus, the category of neighborhoods with poverty rates of between 10 and 15 percent contain a great deal of rental housing, much of it priced less than the FMR. These neighborhoods with moderate amounts of poverty would not be considered good recipient neighborhoods for poor households with HCVP assistance, however, because the neighborhoods could be harmed by incremental increases in impoverished households, pushing them into above average poverty levels. Thus, the analysis continues with only those neighborhoods with poverty rates of less than 10 percent.

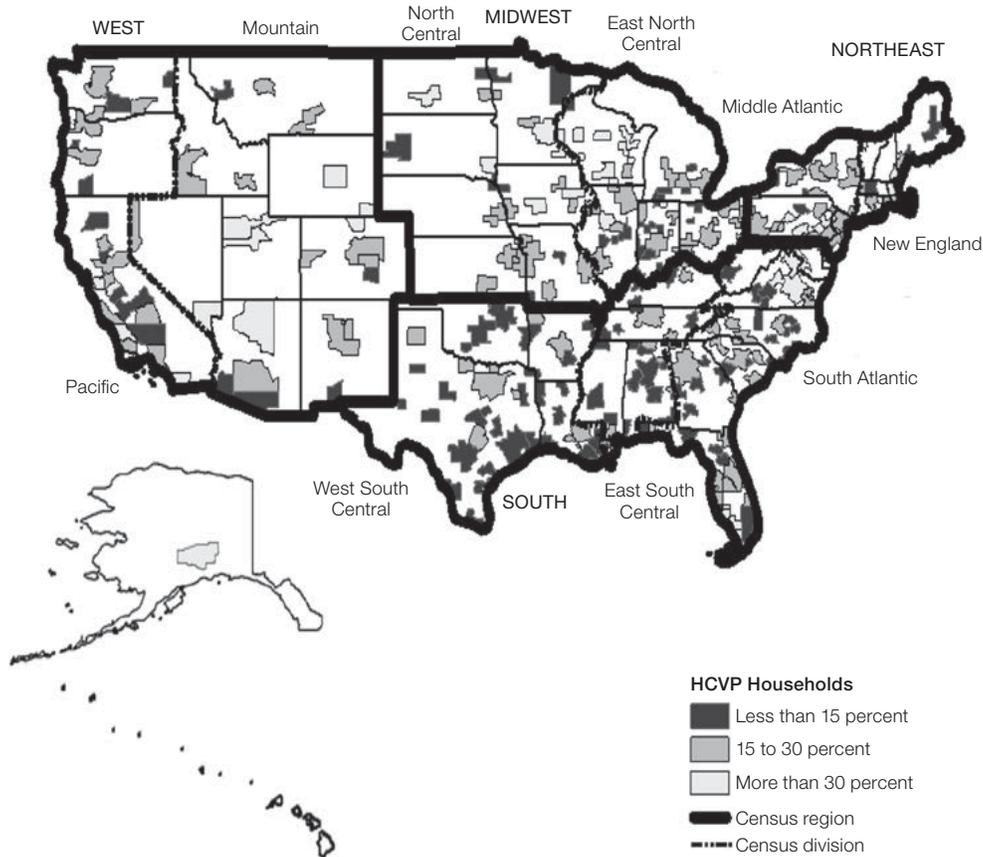
As a baseline, we can expect that 19 percent of voucher households will locate in low-poverty areas under the standard administration of the HCVP; that is, with only very minimal encouragement to PHAs to guide HCVP households to low-poverty tracts and with no effort to impose an MTO requirement at a national scale. This 19-percent entry into low-poverty tracts is 14 percentage points less than the availability of rental units and 7 percentage points less than the availability of units offered for less than the FMR.

Spatial Variation in the Percentage of HCVP Households Entering Low-Poverty Tracts

Metropolitan areas vary considerably in terms of the percentage of HCVP households entering into low-poverty neighborhoods. Exhibit 3 illustrates this variation. Of the 276 metropolitan statistical areas, 66 (24 percent) averaged less than 10 percent (roughly one-half of the national average)

Exhibit 3

Percent of HCVP Households Locating in Census Tracts With Poverty Rates of Less Than 10 Percent in Metropolitan Statistical Areas



HCVP = Housing Choice Voucher Program.

entering low-poverty neighborhoods, but 25 (9 percent) averaged greater than 35 percent (roughly twice the national average) entering low-poverty neighborhoods. The East South Central and West South Central division states and the Central Valley of California appear to have a high incidence of metropolitan areas averaging very low levels of HCVP entry into low-poverty neighborhoods. The northern Plains and New England division states appear to have a high incidence of metropolitan areas averaging very high levels.

Exhibit 3 suggests that region influences the level of HCVP entry into low-poverty tracts in the various metropolitan areas. Exhibit 4 breaks down the metropolitan areas by census region and division.

Metropolitan areas in the West and the Midwest regions seem to operate on par with the nation, at about 21 percent. The Northeast region averages more, at 24 percent, and the South region averages less, at only 14 percent.

Exhibit 4

Average Percent of HCVP Households Locating in Low-Poverty Neighborhoods by Census Region and Division in Metropolitan Statistical Areas

Region/Census Division	Mean Region (%)	Mean Division (%)	N
Northeast	24.4		35
New England		28.6	11
Middle Atlantic		22.4	24
Midwest	21.2		73
East North Central		18.8	45
West North Central		25.2	28
South	14.5		118
South Atlantic		18.4	53
East South Central		11.9	24
West South Central		10.9	41
West	21.2		50
Mountain		22.6	23
Pacific		19.9	27
All metropolitan statistical areas	18.7		276

HCVP = Housing Choice Voucher Program.

Sources: U.S. Department of Housing and Urban Development HCVP data, 2010; 2005–09 American Community Survey 5-year data

Looking one step closer, exhibit 4 refines the analysis into the nine census divisions, providing slightly more clarity. The New England division averages the most HCVP entry into low-poverty tracts, at 29 percent. The West North Central division, made up of the Plains states of Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, and South Dakota, is next, at 25 percent. The East South Central division (Alabama, Mississippi, Kentucky, and Tennessee) falls near the bottom. The West South Central division (Arkansas, Louisiana, Oklahoma, and Texas) averages the least, at 11 percent.

Washington, D.C., locates 44 percent of its HCVP households in low-poverty tracts, the highest level of entry among large metropolitan areas. This metropolitan area is in the South region, which does not fit the pattern. The second highest level, also 44 percent, does fit the pattern; it occurs in Las Vegas in the Mountain division of the West Region. The lowest levels of entry are found in the McAllen (less than 1 percent) and the El Paso (1.3 percent) metropolitan areas in Texas. Both are in the West South Central division, which fits the pattern of the South region averaging lower levels of entry than elsewhere.

Exhibit 5 identifies the greatest and least averages among larger metropolitan areas; that is, those with a population of greater than 800,000. The metropolitan areas with the most average placements of HCVP households in low-poverty tracts are not the ones that were expected. Washington, D.C., and San Francisco averaged among the highest levels of entry. Both areas are known for their high-priced, very competitive housing markets, attributes one would not typically associate with income integration. The metropolitan areas with the lowest levels of entry include the Fresno and Bakersfield, CA MSAs and the San Antonio-New Braunfels, TX MSA. Miami, Florida, another

Exhibit 5

Best and Worst Performing Large MSAs

MSA	Percent of HCVP Households Locating in Low-Poverty Neighborhoods
Best performing MSAs	
Washington-Baltimore-Arlington, DC-MD-VA-WV-PA	43.8
Las Vegas-Henderson-Paradise, NV	43.5
San Francisco-Oakland-Hayward, CA	42.6
Urban Honolulu, HI	40.4
Boston-Worcester-Providence, MA-RI-NH-CT	36.9
Salt Lake City, UT	35.2
Worst performing MSAs	
New Orleans-Metairie, LA	9.4
Tulsa, OK	8.9
Fresno, CA	6.7
San Antonio-New Braunfels, TX	6.1
Bakersfield, CA	5.2
Average for all MSAs	18.7

HCVP = Housing Choice Voucher Program. MSA = metropolitan statistical area.

Sources: U.S. Department of Housing and Urban Development HCVP data, 2010; 2005–09 American Community Survey 5-year data

metropolitan area with low average entry, saw its real estate bubble burst, which may be a factor, but the Las Vegas-Henderson-Paradise, NV MSA, also with a burst bubble, is among the metropolitan statistical areas with greatest average entry of HCVP households into low-poverty neighborhoods. (The appendix lists all metropolitan areas by their level of entry.)

The HCVP is administered relatively uniformly across the country. PHAs have some discretion in how they administer the program, but for the most part, no obvious reason explains why the program performs so differently across the nation. What then explains the variation?

Racial and Ethnic Variation in the Percentage of HCVP Households Entering Low-Poverty Neighborhoods

The previous studies of HCVP location patterns suggest that the racial and ethnic composition of the population being served influences the capacity of the HCVP household to locate in low-poverty tracts. If the program and the housing markets are neutral to race and ethnicity, the analysis should find the same percentage of HCVP households entering low-poverty neighborhoods across all racial and ethnic groups. In this study, non-Hispanic Whites are referred to as Whites, and non-Hispanic African Americans are referred to as African Americans. Hispanics of any race are referred to as Hispanics.

Exhibit 6 shows this parity not to be the case. The exhibit examines all voucher households in metropolitan areas. Across 1.8 million metropolitan voucher households nationwide, 21 percent reside in low-poverty neighborhoods, slightly more than the mean of 19 percent found when averaging the 276 metropolitan areas. Because large metropolitan areas tend to place more HCVP households in low-poverty tracts, the smaller metropolitan areas bias the average percent of HCVP households to locate in low-poverty tracts among metropolitan areas downward.

Exhibit 6

HCVP Households in MSAs Locating in Low-Poverty Tracts by Race and Ethnic Group

Racial/Ethnic Group	Count	Count in Low-Poverty Neighborhoods	Percent in Low-Poverty Neighborhoods	Increase in Low-Poverty Residency if 30%*	Percent of Group
White HCVP households	586,924	173,765	29.6		
African-American HCVP households	835,870	144,112	17.2	103,356	12.4
Hispanic HCVP households	299,581	47,583	15.9	41,111	13.7
Other race/ethnic group HCVP households	57,729	15,669	27.1	1,422	2.5
All HCVP households in MSAs	1,780,104	381,129	21.4	145,889	8.2

HCVP = Housing Choice Voucher Program. MSA = metropolitan statistical area.

** The number of additional HCVP households from each minority category who would locate in tracts with poverty rates below 10 percent if each minority group entered these low-poverty tracts at the same 30-percent rate as Whites.*

Sources: U.S. Department of Housing and Urban Development HCVP data, 2010; 2005–09 American Community Survey 5-year data

About 30 percent of White households locate in low-poverty neighborhoods. Note that this 30-percent level approaches the 35 percent of rental units that are in low-poverty neighborhoods, which suggests that the HCVP provides the income augmentation to enable poor White households to compete successfully with nonpoor renter households in the market. It is important to note that the 30 percent entry by Whites exceeds the percentage of rental units with rents less than the FMR (26 percent) that are in low-poverty neighborhoods. This disproportionately high percentage of market entry by Whites means that, with housing choice vouchers, they are able to enter these desirable markets and compete for units against unsubsidized households, including households of much higher income levels.

Among minorities, the level of entry is predictably lower. About 17 percent of African Americans and 16 percent of Hispanics locate in low-poverty neighborhoods, levels much lower than their White counterparts. The level of minority entry is lower than the supply of rental units and the supply of units with rents less than the FMR. The 13-percentage-point differential between White and African-American households is substantial if taste for living in low-poverty tracts is the same. The 14-percentage-point difference between White and Hispanic households is similarly substantial.

If the share of African Americans and Hispanics living in low-poverty neighborhoods were the same as for Whites, about 103,000 additional African-American HCVP households (12 percent of the total) and 41,000 additional Hispanic households (14 percent of the total) would live in low-poverty neighborhoods. Race and ethnicity clearly influence the ability of HCVP households to locate in low-poverty neighborhoods. This issue may factor into the variation among metropolitan areas.

As is so often the case in studies of this type, it is unclear if discrimination or self-selection lies behind the different spatial distributions households by racial or ethnic group. Hispanics may self-select a level of segregation to accommodate a need to live where Spanish language services are provided. With any minority, it is difficult to distinguish among overt discrimination, fear of

discrimination, and self-selection based on a preference for living in a neighborhood with a high percentage of the same minority group. These forces cannot be separated with the data available to this study.

Models Explaining Variation in the Percentage of HCVP Households Among Metropolitan Areas

The exploratory analysis confirms variation among metropolitan areas in terms of the level of entry that HCVP households make into low-poverty tracts. Region of the nation, scale of the metropolitan area, and the racial and ethnic identity of the voucher household all appear to influence this process. The softness of the market plays a role, as does the share of tracts that qualify as low-poverty tracts. HUD can do little about these factors, but it can adjust the FMR levels that guide the implementation of the program. Higher FMRs could make more units eligible for HCVP households and could increase the level of entry by these households.

To test the validity of this concept and to see if higher FMRs do result in greater HCVP entry into low-poverty tracts, I prepared models to explain the variation across the metropolitan areas.¹ The first model includes all HCVP households, independent of race or ethnicity. Three additional models help to highlight the different location patterns of White HCVP households, African-American HCVP households, and Hispanic HCVP households. Exhibit 7 lists the descriptive statistics for the variables in these models.

The dependent variable for these models is the percentage of HCVP households that locate in tracts with less than 10 percent poverty. The unit of analysis is the metropolitan area, covering the 276 metropolitan areas for which complete data are available. The models contain independent control variables describing various characteristics of the various markets. These variables include market scale, testing whether larger markets operate differently. Scale is measured by the size of the population. Another important measure of a market's capacity to absorb HCVP households is the number of low-poverty neighborhoods relative to the whole. It is expected that a greater share of total tracts that have poverty rates of less than 10 percent will result in greater entry into such tracts.

Market softness, measured as the difference between the vacancy rate in the low-poverty neighborhoods and the metropolitan market as a whole, is also expected to influence the process. This approach is used because a household's location decision is driven by the relative vacancy between the low-poverty neighborhoods and the remainder of the neighborhoods. It would be expected that if vacancy rates are greater in low-poverty neighborhoods than in the market as a whole, it would be easier for HCVP households to locate in the low-poverty neighborhoods.

¹ The dependent variable is a proportion, constrained by a low of 0 and a high of 1, which can violate the assumptions of regression. The dependent variable, however, is fairly normally distributed, with a mean of 19 percent and with a standard deviation of 12 percentage points. The minimum is 0.4 percent and the maximum is 68.0 percent. The distribution does not include any significant frequencies at the extremes; rather, nearly all the cases are normally distributed away from the extremes. This distribution makes a linear form of the dependent variable defensible.

Exhibit 7

Descriptive Statistics of Variables Included in Models of HCVP Household Entry Into Low-Poverty Tracts

Variable	Mean	Standard Deviation
Percent of all HCVP households to neighborhoods with poverty rates of less than 10%	18.73	11.70
Percent of White HCVP households to neighborhoods with poverty rates of less than 10%	23.81	13.65
Percent of African-American HCVP households to neighborhoods with poverty rates of less than 10%	15.23	11.48
Percent of Hispanic HCVP households to neighborhoods with poverty rates of less than 10%	19.29	14.38
Population (millions)	0.88	2.08
Share of neighborhoods that are low poverty	39.33	15.59
Region of the market (Mid-Atlantic reference)		
Region 1 New England	0.04	0.20
Region 3 East North Central	0.16	0.37
Region 4 West North Central	0.10	0.30
Region 5 South Atlantic	0.19	0.39
Region 6 East South Central	0.09	0.28
Region 7 West South Central	0.15	0.36
Region 8 Mountain	0.08	0.28
Region 9 Pacific	0.10	0.30
Relative market softness		
Vacancy in low-poverty neighborhoods minus vacancy in all neighborhoods	- 0.57	2.85
Rental units less than FMR		
Percent less than FMR in low-poverty neighborhoods minus all neighborhoods	- 10.67	6.43
Ratio of FMR to median gross rent	0.99	0.07

FMR = Fair Market Rent. HCVP = Housing Choice Voucher Program.

Sources: U.S. Department of Housing and Urban Development HCVP data, 2010; 2005–09 American Community Survey 5-year data

Race is known to influence the capacity of minorities to locate freely across metropolitan markets. To control for the capacity to locate, two dissimilarity indexes are included in the models. The first measures the spatial differences between Whites and African Americans, and the second measures the spatial differences between Whites and Hispanics.²

No obvious reason explains why region of the nation should matter, but it clearly does. As such, dummy variables are entered for region. These regional variables serve as controls for other fixed effects that are unobserved in the available data.

² The dissimilarity index is the sum of the absolute values of $\{[(P_i/P_1)-(P_i/P_2)]/2\} \times 100$, where P_1 is the count of a reference population, such as Whites, in a tract; P_1 is the count of the entire reference population, such as Whites in the metropolitan area; P_2 is the count of a comparison population, such as African Americans, in a tract; and P_2 is the count of the entire comparison population, such as African Americans, in the metropolitan area. The index is interpreted as the percentage of the comparison population that would need to locate for the comparison population to be evenly distributed across all areas. (See White, 1983.)

Finally, variables are entered that measure the availability of units rented for less than the applicable FMR. One variable measures the difference between the percentage of units available for less than the FMR in low-poverty neighborhoods and in the market as a whole. As with vacancy, if low-poverty areas have a greater proportion of rental units available for less than the FMR than elsewhere in the market, those neighborhoods are expected to attract more HCVP households. A second variable assesses the how much the FMR is relative to typical rents in the market. This variable is the ratio of the FMR to the median gross rent in the metropolitan area. It is expected that the greater the ratio, the greater will be the entry of HCVP households into low-poverty areas.

Exhibit 8 lists the details of the various models.³ Model 1 explains the variation in HCVP entry into low-poverty neighborhoods for all HCVP households. The model is fairly sturdy, with an R-square statistic of 0.78. The outcomes for the control variables are informative.

The control variable that adds the greatest explanatory power to the model is the variable measuring the percentage of neighborhoods in the metropolitan area that are low poverty. It suggests, unsurprisingly, that the greater the share of low-poverty tracts, the greater the entry by HCVP households. It is highly significant and unambiguous. If the housing market offers a large proportion of its tracts as targets for location, an HCVP household is more likely to end up there.

Scale of the metropolitan area does not matter much when other controlling variables are entered into the model.

The market softness variable, the vacancy differential between low-poverty tracts and the market as a whole, is positive and significant. It suggests that HCVP households respond to market softness in an economically rational manner. If the market is softer inside the low-poverty tracts, then HCVP households will locate in these low-poverty tracts. If the market is softer outside the low-poverty tracts, then HCVP households will locate in higher poverty tracts. The coefficient for this variable indicates that tight markets in low-poverty tracts can inhibit HCVP households from locating in desirable tracts, and soft markets can facilitate the poverty deconcentration process.

Two variables examine the level of the applicable FMRs. These variables have particular significance because the FMR is a component of the program that program administrators can adjust. The first variable indicates that greater entry is also associated with greater proportions of units offered for less than the FMR in low-poverty neighborhoods relative to the market as a whole. The second variable suggests that greater entry into low-poverty tracts is associated with FMRs being greater relative to the typical rents in a market. These two results both follow from expectations.

Models 2, 3, and 4 explain the variation in entry to low-poverty neighborhoods for White, African-American, and Hispanic HCVP households. The models are less sturdy, with R-square statistics of 0.68 for White, 0.68 for African-American, and 0.66 for Hispanic HCVP households, but they are

³ Note that the models are weighted least squares models because the dependent variables are proportions. Because proportions are constrained by a minimum of 0 and a maximum of 1, they may introduce inconsistency into the model. This problem is not significant because the proportions are normally distributed around the means of 15 to 24 percent, with no significant frequencies at the extremes of 0 or 1. Because of the variation in the denominator of each dependent variable, the count of HCVP households in the metropolitan area, however, the cases are weighted as a function of this count.

Exhibit 8

Models Explaining Variation in the Percent of HCVP Households Locating in Low-Poverty Neighborhoods in Metropolitan Areas, by Race and Ethnicity

Variable	Model 1 All HCVP HH	Model 2 White HCVP HH	Model 3 African- American HCVP HH	Model 4 Hispanic HCVP HH
Dependent variable	Percent of all HCVP HH to neighborhoods with poverty less than 10%	Percent of White HCVP HH to neighborhoods with poverty less than 10%	Percent of African-American HCVP HH to neighborhoods with poverty less than 10%	Percent of Hispanic HCVP HH to neighborhoods with poverty less than 10%
Independent variables				
Scale of the market population (millions)	- 0.083	- 0.0343	0.101	- 0.083
Share of neighborhoods that are low poverty	0.739**	0.581**	0.808**	0.778**
Dissimilarity index: White-to-African American	- 0.209**	0.133*	- 0.289**	- 0.162*
Dissimilarity index: White-to-Hispanic	0.000	- 0.056	- 0.091	- 0.064
Region of the market (Mid-Atlantic reference)				
1-New England	1.637	5.693*	0.674	- 3.820
3-East North Central	4.991**	4.403*	5.776**	12.804**
4-West North Central	4.215**	6.371**	4.545*	9.313**
5-South Atlantic	6.629**	3.459*	9.825**	21.258**
6-East South Central	7.574**	5.674*	10.372**	20.966**
7-West South Central	7.284**	3.357	10.666**	15.342**
8-Mountain	9.579**	8.803**	9.008**	13.452**
9-Pacific	8.205**	7.549**	3.923**	15.259**
Relative market softness				
Vacancy in low-poverty neighborhoods minus vacancy in all neighborhoods	0.441*	0.364	0.314	0.503
Rental units < FMR				
Percent < FMR in low-poverty neighborhoods minus all neighborhoods	0.333**	0.501**	- 0.017	0.365**
Ratio of FMR to median gross rent	19.607**	32.831**	11.865	21.424**
Constant	- 21.364	- 35.905	- 16.719	- 31.196
R square	0.782	0.679	0.677	0.656
No. of metropolitan areas	276	276	276	275

FMR = Fair Market Rent. HCVP = Housing Choice Voucher Program. HH = households.

**significant at .05. **significant at .01.*

Note: Weighted least squares using count of HCVP households in the market as the weight.

adequate to test some of the issues. The models for each racial or ethnic subpopulation generally work very similarly to the model for all HCVP households. The models for African Americans and Hispanics have much lower constants than is found in the models for Whites, indicating that racial or ethnic minorities enter low-poverty tracts less, independent of the other controlling factors in the models. In each model for Whites or minorities, the variable for the share of all neighborhoods that are low-poverty continues to contribute the greatest explanatory power. The dissimilarity index for the African American-to-White differential is significant for African-American HCVP households, as would be expected. The coefficient for the Hispanic-to-White index is not significant for Hispanic HCVP households, which is unexpected. The coefficients for the two variables describing the relative and absolute levels of the FMRs are significant for Hispanics and for Whites, as was true for the total population of HCVP households. These coefficients are not significant in the model for African Americans, which suggests that modifications to the FMRs may be more effective in generating poverty deconcentration for Whites and Hispanics and less so for African Americans.

Conclusions and Policy Implications

The HCVP is achieving much, but it could achieve more. HCVP households are not making entry into low-poverty tracts at levels that might be expected. Their entry is not even up to the share of units with rents less than the FMR. What causes these less-than-expected levels of market entry is unclear.

Unmeasured in this analysis is the capacity of HCVP households to compete for available units in low-poverty neighborhoods. It is possible that the asymmetric market power of upper-income households is at fault. Upper-income households have the option to spend a lower percentage of their income on housing. They can compete very well for low-priced rental units in desirable neighborhoods. Landlords will generally prefer a higher income household when choosing between two households applying for a lease. The higher level of income better insulates the household from problems in making rent payments should the flow of that income be interrupted. The competition between HCVP households and other, especially upper-income, households could be greater in low-poverty neighborhoods, thereby pushing HCVP households out of these neighborhoods. It is also possible that landlord resistance to accepting a housing choice voucher as a means of payment may be greater in low-poverty neighborhoods. Landlords in low-poverty neighborhoods will generally have greater capacity to refuse a voucher applicant, knowing that a non-HCVP household will likely come along. Landlords are beginning to lose this capacity, however, as states and communities adopt prohibitions on source-of-income discrimination. These laws effectively prohibit a landlord from refusing an application from an HCVP household solely because of the use of a voucher. Landlord resistance and increased competition for units, however, can push down the percentage of HCVP households that can successfully enter low-poverty neighborhoods.

We learn from the analysis of metropolitan markets that White HCVP households can overcome these barriers, entering low-poverty neighborhoods at a rate greater than the share of units offered at rents less than the FMR limits. This finding means that HCVP households can successfully seek out, negotiate for, and lease these units, perhaps because racial barriers do not stand in their way. For White HCVP households to be found in low-poverty neighborhoods in greater proportion than the share of units available for less than the FMR means that landlord resistance and competition

from higher income households is not prohibitive. The promise of the HCVP is to augment the incomes of extremely low-income households such that they can enter into the market for good-quality housing. A significant share of HCVP households is evidently realizing this promise. Barriers appear to exist for racial and ethnic minorities. The data available here do not permit us to know the extent to which these barriers result from self-selection by minority households, from actual discrimination, or from fear of confronting discrimination. Whatever the source or sources, racial differences in the ability of HCVP households to enter low-poverty tracts are large.

The analysis indicates that the level of the FMR does influence the success with which HCVP households enter low-poverty neighborhoods. The models indicate, with some ambiguity, that if FMRs were raised so that the share of units in low-poverty neighborhoods offered for less than the FMR could be increased, then the share of HCVP households that locate there would rise. Selective adjustments to the FMRs must be done with care, however, recognizing the local market forces that influence the availability of units in high-opportunity tracts. The analysis in this article is performed at the level of census tracts, which may be too large a spatial unit for identifying neighborhoods. The analysis suggests that, if it is desirable to facilitate entry into low-poverty tracts, then FMRs should be raised in these tracts, and perhaps even in smaller neighborhoods, and not in the moderate- or high-poverty tracts which may be harmed by the presence of additional poverty.

As we learn more about the ability of the HCVP to help poor households locate into good-quality housing in opportunity-rich tracts, it appears the voucher households can compete well. Race and ethnicity remain forces that separate people. The research reported here, however, suggests that HUD can facilitate the process by selectively altering the FMR in target neighborhoods. The results presented here indicate that small-area FMRs hold promise. FMRs set for a spatial unit much smaller than a metropolitan area, if carefully implemented, can increase the number of rental units that qualify for placing HCVP households into high-opportunity neighborhoods. Such small-area FMRs will improve the capacity of the HCVP to deconcentrate poor households, but they are not a panacea. Other actions may need to be explored and adopted. Metropolitan area administration of the HCVP could increase the information flow on available units to households. More intensive housing counseling is a proven technique that can help guide HCVP households to high-opportunity neighborhoods. Enforcing fair housing laws can help racial and ethnic minorities gain access to markets previously closed to them. All these approaches have merit. The evidence from this research indicates that carefully adjusting FMR levels can increase poverty deconcentration with minimal effect on the program budget. Raising FMRs, however, unfortunately does distribute the available program funds across a smaller number of participating households. Further study is needed to determine whether the beneficial effects of helping HCVP households into low-poverty tracts justify the reduced numbers of households served.

Appendix

Exhibit A1

Percent of HCVP Households Locating in Low-Poverty Neighborhoods for Metropolitan Areas (1 of 6)

Abilene, TX MSA	2.42
Albany, GA MSA	10.47
Albany-Schenectady-Troy, NY MSA	29.83
Albuquerque, NM MSA	16.53
Alexandria, LA MSA	4.82
Allentown-Bethlehem-Easton, PA MSA	32.87
Altoona, PA MSA	19.58
Amarillo, TX MSA	23.42
Anchorage, AK MSA	32.17
Anniston, AL MSA	9.01
Appleton-Oshkosh-Neenah, WI MSA	42.16
Asheville, NC MSA	22.73
Athens, GA MSA	5.98
Atlanta, GA MSA	18.34
Auburn-Opelika, AL MSA	19.33
Augusta-Aiken, GA-SC MSA	2.28
Austin-San Marcos, TX MSA	26.76
Bakersfield, CA MSA	5.19
Bangor, ME MSA	13.31
Barnstable-Yarmouth, MA MSA	67.06
Baton Rouge, LA MSA	15.32
Beaumont-Port Arthur, TX MSA	10.59
Bellingham, WA MSA	19.68
Benton Harbor, MI MSA	2.75
Billings, MT MSA	21.89
Biloxi-Gulfport-Pascagoula, MS MSA	17.86
Binghamton, NY MSA	16.55
Birmingham, AL MSA	10.84
Bismarck, ND MSA	67.75
Bloomington, IN MSA	9.16
Bloomington-Normal, IL MSA	20.09
Boise City, ID MSA	28.07
Boston-Worcester-Lawrence, MA-NH-ME-CT CMSA	36.87
Brownsville-Harlingen-San Benito, TX MSA	.51
Bryan-College Station, TX MSA	3.37
Buffalo-Niagara Falls, NY MSA	12.96
Burlington, VT MSA	34.79
Canton-Massillon, OH MSA	17.23
Casper, WY MSA	32.72
Cedar Rapids, IA MSA	39.33
Champaign-Urbana, IL MSA	5.99
Charleston, WV MSA	18.00
Charleston-North Charleston, SC MSA	14.57
Charlotte-Gastonia-Rock Hill, NC-SC MSA	17.36
Charlottesville, VA MSA	56.33
Chattanooga, TN-GA MSA	15.79
Cheyenne, WY MSA	53.46
Chicago-Gary-Kenosha, IL-IN-WI CMSA	22.45

Exhibit A1

**Percent of HCVP Households Locating in Low-Poverty Neighborhoods for
Metropolitan Areas (2 of 6)**

Metropolitan Area	Percent of HCVP Households to Low-Poverty Tracts
Chico-Paradise, CA MSA	16.67
Cincinnati-Hamilton, OH-KY-IN CMSA	19.96
Clarksville-Hopkinsville, TN-KY MSA	10.63
Cleveland-Akron, OH CMSA	17.65
Colorado Springs, CO MSA	29.62
Columbia, MO MSA	14.23
Columbia, SC MSA	23.62
Columbus, GA-AL MSA	6.98
Columbus, OH MSA	17.47
Corpus Christi, TX MSA	6.54
Corvallis, OR MSA	8.26
Cumberland, MD-WV MSA	18.59
Dallas-Fort Worth, TX CMSA	18.48
Danville, VA MSA	7.95
Davenport-Moline-Rock Island, IA-IL MSA	23.53
Dayton-Springfield, OH MSA	20.62
Daytona Beach, FL MSA	21.66
Decatur, AL MSA	1.30
Decatur, IL MSA	12.41
Denver-Boulder-Greeley, CO CMSA	23.20
Des Moines, IA MSA	38.71
Detroit-Ann Arbor-Flint, MI CMSA	19.01
Dothan, AL MSA	8.09
Dover, DE MSA	19.48
Dubuque, IA MSA	43.04
Duluth-Superior, MN-WI MSA	11.97
Eau Claire, WI MSA	38.19
El Paso, TX MSA	1.38
Elkhart-Goshen, IN MSA	30.61
Elmira, NY MSA	4.39
Enid, OK MSA	19.49
Erie, PA MSA	17.67
Eugene-Springfield, OR MSA	17.59
Evansville-Henderson, IN-KY MSA	13.68
Fargo-Moorhead, ND-MN MSA	26.60
Fayetteville, NC MSA	7.18
Fayetteville-Springdale-Rogers, AR MSA	19.72
Flagstaff, AZ-UT MSA	32.29
Florence, AL MSA	15.77
Florence, SC MSA	11.28
Fort Collins-Loveland, CO MSA	30.70
Fort Myers-Cape Coral, FL MSA	33.46
Fort Pierce-Port St. Lucie, FL MSA	23.00
Fort Smith, AR-OK MSA	3.53
Fort Walton Beach, FL MSA	23.98
Fort Wayne, IN MSA	25.44

Exhibit A1

Percent of HCVP Households Locating in Low-Poverty Neighborhoods for Metropolitan Areas (3 of 6)

Metropolitan Area	Percent of HCVP Households to Low-Poverty Tracts
Fresno, CA MSA	6.73
Gadsden, AL MSA	17.95
Gainesville, FL MSA	7.75
Glens Falls, NY MSA	16.83
Goldensboro, NC MSA	11.11
Grand Forks, ND-MN MSA	5.16
Grand Junction, CO MSA	15.04
Grand Rapids-Muskegon-Holland, MI MSA	20.59
Great Falls, MT MSA	16.97
Green Bay, WI MSA	33.56
Greensboro--Winston-Salem--High Point, NC MSA	14.03
Greenville, NC MSA	3.87
Greenville-Spartanburg-Anderson, SC MSA	18.50
Harrisburg-Lebanon-Carlisle, PA MSA	42.37
Hartford, CT MSA	23.86
Hattiesburg, MS MSA	4.83
Hickory-Morganton-Lenoir, NC MSA	15.58
Honolulu, HI MSA	40.41
Houma, LA MSA	14.36
Houston-Galveston-Brazoria, TX CMSA	13.24
Huntington-Ashland, WV-KY-OH MSA	11.43
Huntsville, AL MSA	22.31
Indianapolis, IN MSA	15.11
Iowa City, IA MSA	28.47
Jackson, MI MSA	13.30
Jackson, MS MSA	7.39
Jackson, TN MSA	11.33
Jacksonville, FL MSA	21.38
Jacksonville, NC MSA	8.98
Jamestown, NY MSA	10.64
Janesville-Beloit, WI MSA	31.17
Johnson City-Kingsport-Bristol, TN-VA MSA	8.81
Johnstown, PA MSA	19.03
Jonesboro, AR MSA	12.18
Joplin, MO MSA	3.81
Kalamazoo-Battle Creek, MI MSA	9.38
Kansas City, MO-KS MSA	25.32
Killeen-Temple, TX MSA	13.32
Knoxville, TN MSA	12.44
Kokomo, IN MSA	10.54
La Crosse, WI-MN MSA	38.79
Lafayette, IN MSA	16.93
Lafayette, LA MSA	5.08
Lake Charles, LA MSA	11.87
Lakeland-Winter Haven, FL MSA	25.35
Lancaster, PA MSA	28.64

Exhibit A1

**Percent of HCVP Households Locating in Low-Poverty Neighborhoods for
Metropolitan Areas (4 of 6)**

Metropolitan Area	Percent of HCVP Households to Low-Poverty Tracts
Lansing-East Lansing, MI MSA	16.60
Laredo, TX MSA	2.87
Las Cruces, NM MSA	.35
Las Vegas, NV-AZ MSA	43.50
Lawrence, KS MSA	20.88
Lawton, OK MSA	6.71
Lewiston-Auburn, ME MSA	7.86
Lexington, KY MSA	15.44
Lima, OH MSA	8.82
Lincoln, NE MSA	19.55
Little Rock-North Little Rock, AR MSA	17.03
Longview-Marshall, TX MSA	9.28
Los Angeles-Riverside-Orange County, CA CMSA	20.81
Louisville, KY-IN MSA	13.32
Lubbock, TX MSA	9.54
Lynchburg, VA MSA	5.26
Macon, GA MSA	13.77
Madison, WI MSA	38.59
Mansfield, OH MSA	17.65
McAllen-Edinburg-Mission, TX MSA	.69
Medford-Ashland, OR MSA	6.06
Melbourne-Titusville-Palm Bay, FL MSA	32.67
Memphis, TN-AR-MS MSA	10.02
Merced, CA MSA	1.94
Miami-Fort Lauderdale, FL CMSA	10.77
Milwaukee-Racine, WI CMSA	23.53
Minneapolis-St. Paul, MN-WI MSA	34.19
Missoula, MT MSA	4.61
Mobile, AL MSA	7.15
Modesto, CA MSA	34.95
Monroe, LA MSA	10.41
Montgomery, AL MSA	13.55
Muncie, IN MSA	18.98
Myrtle Beach, SC MSA	13.46
Naples, FL MSA	34.44
Nashville, TN MSA	18.47
New London-Norwich, CT-RI MSA	44.86
New Orleans, LA MSA	9.42
New York-Northern New Jersey-Long Island, NY-NJ-CT MSA	19.25
Norfolk-Virginia Beach-Newport News, VA-NC MSA	26.73
Ocala, FL MSA	10.36
Odessa-Midland, TX MSA	8.30
Oklahoma City, OK MSA	12.08
Omaha, NE-IA MSA	22.14
Orlando, FL MSA	21.07
Owensboro, KY MSA	13.11

Exhibit A1**Percent of HCVP Households Locating in Low-Poverty Neighborhoods for Metropolitan Areas (5 of 6)**

Metropolitan Area	Percent of HCVP Households to Low-Poverty Tracts
Panama City, FL MSA	23.29
Parkersburg-Marietta, WV-OH MSA	10.22
Pensacola, FL MSA	9.78
Peoria-Pekin, IL MSA	31.50
Philadelphia-Wilmington-Atlantic City, PA-NJ-DE-MD	22.41
Phoenix-Mesa, AZ MSA	22.63
Pine Bluff, AR MSA	2.82
Pittsburgh, PA MSA	17.39
Pittsfield, MA MSA	21.11
Pocatello, ID MSA	19.88
Portland, ME MSA	29.67
Portland-Salem, OR-WA CMSA	19.09
Providence-Fall River-Warwick, RI-MA MSA	26.53
Provo-Orem, UT MSA	32.22
Pueblo, CO MSA	12.96
Punta Gorda, FL MSA	38.63
Raleigh-Durham-Chapel Hill, NC MSA	28.90
Rapid City, SD MSA	9.71
Reading, PA MSA	30.17
Redding, CA MSA	4.62
Reno, NV MSA	18.20
Richland-Kennewick-Pasco, WA MSA	22.29
Richmond-Petersburg, VA MSA	34.15
Roanoke, VA MSA	14.69
Rochester, MN MSA	42.80
Rochester, NY MSA	26.05
Rockford, IL MSA	16.18
Rocky Mount, NC MSA	3.59
Sacramento-Yolo, CA CMSA	28.97
Saginaw-Bay City-Midland, MI MSA	7.61
St. Cloud, MN MSA	27.93
St. Joseph, MO MSA	16.33
St. Louis, MO-IL MSA	20.40
Salinas, CA MSA	17.44
Salt Lake City-Ogden, UT MSA	35.19
San Angelo, TX MSA	4.91
San Antonio, TX MSA	6.10
San Diego, CA MSA	32.19
San Francisco-Oakland-San Jose, CA CMSA	42.62
San Luis Obispo-Atascadero-Paso Robles, CA MSA	41.11
Santa Barbara-Santa Maria-Lompoc, CA MSA	24.10
Santa Fe, NM MSA	18.19
Sarasota-Bradenton, FL MSA	24.14
Savannah, GA MSA	15.51
Scranton--Wilkes-Barre--Hazleton, PA MSA	20.23
Seattle-Tacoma-Bremerton, WA CMSA	29.45

Exhibit A1

**Percent of HCVP Households Locating in Low-Poverty Neighborhoods for
Metropolitan Areas (6 of 6)**

Metropolitan Area	Percent of HCVP Households to Low-Poverty Tracts
Sharon, PA MSA	20.06
Sheboygan, WI MSA	40.51
Sherman-Denison, TX MSA	27.01
Shreveport-Bossier, LA MSA	9.77
Sioux City, IA-NE MSA	11.39
Sioux Falls, SD MSA	37.43
South Bend, IN MSA	8.72
Spokane, WA MSA	12.83
Springfield, IL MSA	11.71
Springfield, MA MSA	9.18
Springfield, MO MSA	18.91
State College, PA MSA	52.87
Steubenville-Weirton, OH-WV MSA	17.48
Stockton-Lodi, CA MSA	17.04
Sumter, SC MSA	9.43
Syracuse, NY MSA	17.09
Tallahassee, FL MSA	12.36
Tampa-St. Petersburg-Clearwater, FL MSA	20.15
Terre Haute, IN MSA	7.93
Texarkana, TX-Texarkana, AR MSA	12.27
Toledo, OH MSA	12.63
Topeka, KS MSA	20.20
Tucson, AZ MSA	11.43
Tulsa, OK MSA	8.91
Tuscaloosa, AL MSA	12.62
Tyler, TX MSA	24.73
Utica-Rome, NY MSA	18.55
Victoria, TX MSA	5.45
Visalia-Tulare-Porterville, CA MSA	15.29
Waco, TX MSA	5.76
Washington-Baltimore, DC-MD-VA-WV CMSA	43.80
Waterloo-Cedar Falls, IA MSA	18.73
Wausau, WI MSA	33.99
West Palm Beach-Boca Raton, FL MSA	17.62
Wheeling, WV-OH MSA	15.11
Wichita, KS MSA	17.39
Wichita Falls, TX MSA	25.62
Williamsport, PA MSA	13.49
Wilmington, NC MSA	12.27
Yakima, WA MSA	8.72
York, PA MSA	29.34
Youngstown-Warren, OH MSA	7.57
Yuba City, CA MSA	11.97
Yuma, AZ MSA	.79

CMSA = consolidated metropolitan statistical area. HCVP = Housing Choice Voucher Program. MSA = metropolitan statistical area.

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