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I.A. Overview

This paper is part of a larger project on public housing in South Kingstown and Rhode Island more generally. South Kingstown is planning a rebuild of its public housing stock and this stimulated a partnership between the Social Science Institute for Research, Education and Policy at URI, the South Kingstown Housing Authority and the Jonnycake Center. We have also partnered with the Rhode Island Foundation which has a strong commitment to economic security for all Rhode Islanders.

We surveyed the literature on public housing, focusing on what policies seem to be the most effective and under what circumstances they work best. We look at national and international cases that seem relevant to South Kingstown, and Rhode Island more generally in some instances. Our study is meant to complement the survey research and oral history interviews conducted by our team. This research is reported in separate documents.

This paper summarizes existing research on three types of public housing - clustered site housing, scattered site housing, and voucher-based housing. In the first two models a public or community-based entity owns the house or apartment. In voucher-based housing, residents are given a voucher that can be used to rent from private owners.² In addition, we explore some models for funding and policies that increase public housing stock. Our purpose is to explain the current knowledge about what has been tried and how well these approaches have achieved their goals. We do not advocate here for any one model, rather, we have attempted to summarize a large body of policy analysis to help policy makers make decisions about the best models for

¹ We would like to thank Patrice Pierre and Yisel Vazquez for excellent research assistance.

² A fourth type, mixed income housing, is not currently under consideration in South Kingstown.

their community given known outcomes. The last section looks in detail at right of first refusal laws, inclusionary zoning, and workforce housing in Montgomery County, Maryland as a potential model for increasing the supply of public and affordable housing in Rhode Island.

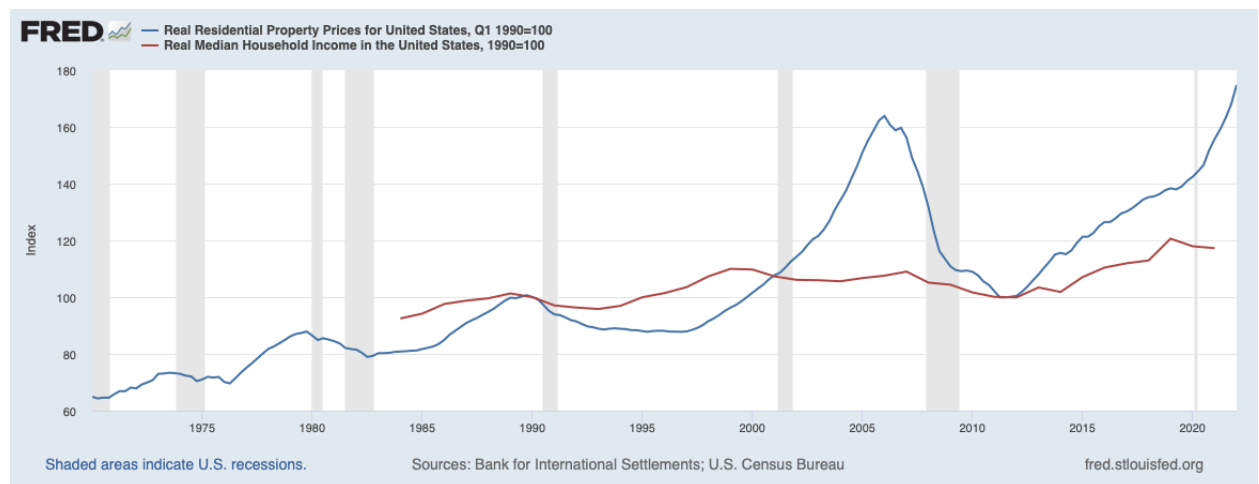
I.b Recent History of Public Housing

Federal public housing originated during the New Deal in the 1930s with the creation of the Federal Housing Administration. The FHA expanded from mortgage insurance to construction of low rent housing in 1937 and also to “Section 8” housing, which authorized payments to private landlords for rentals to low-income families. These programs were explicitly segregationist in their intent. FHA’s mission grew under a series of housing acts in the 1940s and 1950s. In 1965, the Housing and Urban Development Act created a cabinet level department as part of the so-called “War on Poverty.” In 1968 the Fair Housing Act banned discrimination in housing, but lenders and landlords continued to prey on Black home buyers in a variety of ways (Yamahtta-Taylor, 2019). To date, national and state and local public policy has not effectively addressed the roots of racism in housing, with exclusionary zoning replacing explicit forms of redlining (Kahlenberg, 2021).

In 1974, the Nixon administration declared a moratorium on new housing construction and since then there has been very little new capacity added to the country’s public housing stock. Public housing continued to be squeezed through the Reagan and Bush administrations of the 80s and early 90s, leading to declining quality. In 1992, the Housing Opportunity for People Everywhere (HOPE VI) program was created with a mission to overhaul the nation’s public housing stock with the goals of reducing segregation and improving quality. While over 50,000 public housing units were destroyed as part of this program, only about half were replaced. The Faircloth amendment of 1998 further limited states and localities’ ability to build public housing (National Low Income Housing Coalition). Overall, across the country, public housing has been declining while the number of people in need of subsidized housing has increased given rapidly rising housing prices, soaring income inequality, and relatively stagnant incomes over the past two generations.

Millions of Americans now pay over 70% of their income on housing. Between 2001 and 2015, rent nationally rose by a third while wages remained nearly flat (Thrush, 2018). There

have been similar trends in home prices. Figure 1 compares housing prices and the real income of the median household in the United States, with 1990 the base year for both series. Here we see that household income grew more rapidly in the 1990s than did housing prices, but from 1996 to 2006 housing prices rose much more rapidly and then crashed. They began to recover in 2011 and have once again risen much faster than incomes over the last decade. The difference is that this housing price boom has been nationwide whereas the previous one was concentrated on the coasts (Krugman, 2022). The same trend can be seen in rent—according to one analysis, from 1985 to 2020, the national median rent price rose 149%, while overall income grew just 35%. In effect, rent increased four times the rate of incomes (Dunnaway-Seale, 2022).



These trends have exacerbated since the start of the pandemic in 2020, with double digit annual rent increases reported across the country (Torres and Marte, 2022).

Federal housing policy from the 1980s forward has mostly devolved problems onto states and localities. President Trump’s HUD Secretary Carson advocated for reduced housing aid and increasing the percentage of renter’s income paid in public housing. While some of Carson’s proposed cuts were restored by Congress, the crisis intensified even before the pandemic as building across the country has not met demand and has been concentrated on high end units.

As of 2014, 21% of available units nationwide were affordable for extremely low-income households without USDA or HUD aid. That number rose to 46% for households with aid. In Washington County, RI, the corresponding figures are 1% and 54%, in Providence County, the corresponding figures were 10% and 54%, and in Kent County 0% and 47%. In other words,

without aid, households in Washington and Providence County were worse off than the national average - but with aid they were somewhat better off.. In Kent, those without aid were much worse off and those with aid were the same as the national average. However, even though they were similar to the nation, it still means at least half of extremely low-income residents lack affordable housing in every county of Rhode Island (Urban Institute, n.d.).

Rhode Island has had quickly rising housing costs while also experiencing slow economic growth. One study suggested that Rhode Island would need to build up to 40 thousand new housing units over the next 10 years to meet demand. That would be an 8.6% increase in the housing stock. While housing is needed generally, it is family affordable housing that is the most out of step with the current housing stock (Housing Works 2016). As housing is not being built at the required rate, there is pressure in the market to raise prices. In Rhode Island before the pandemic, the average two-bedroom apartment cost upwards of \$1,238 per month, approximately 61 percent higher than what is considered affordable for the typical renter in the state. While town-level economic data is not available, we know that affordability in South Kingstown is affected by its status as a university town and summer resort. Housing that might otherwise be available to local moderate- or low-income families or elderly or disabled low-income adults in desperate need of housing, is instead rented to students and tourists. As a result, government provided public housing may be particularly needed in South Kingstown because the private market incentives are different than in other locales. We examine several ways that public and quasi-public housing can be expanded like inclusive zoning, workforce housing, and right of first refusal laws.

Affordability is only one aspect of the quality of public housing. A second concern is the way housing is distributed in communities and its effects on health and school performance, access to transportation, and access to meaningful employment or job training. South Kingstown has mostly centralized its public housing, a practice strongly correlated with racial segregation and its derivative effects on health and educational achievement (Quick and Kahlenberg, 2019). On the other hand, efforts to desegregate public housing have run up against a variety of structural impediments (Rothstein, 2017) and the literature is mixed in its assessment of these efforts.

A third concern is the way public housing is managed. Tenants often feel a sense of powerlessness over the condition of the public housing stock. We examine several innovative ways in which the experience of public housing can be improved through participatory management and related practices.

I.c Political-Economic Context

Housing is different from other goods - it is a basic human need. Housing is the single largest expenditure in most family budgets, making up a third of the consumer price index. To the extent that housing is treated as an asset for sale on a market it will be subject to typical fluctuations in asset prices, there will be booms, sometimes quite long, but also busts, some quite severe. The price of land is also a factor in that as land becomes scarce, housing prices rise. These propositions have been demonstrated over many years, in many countries (Knoll, Schularick and Steager, 2017). Given the dramatic increase of income and wealth inequality in the US, with the federal government largely absent, the regulations on building materials and the cost of labor, and with land increasingly scarce in Northeast coastal communities, it should not be surprising that housing construction has skewed toward high end buyers creating a housing shortage for middle- and lower-income families.

Public housing is meant to be a partial "decommodification" of housing (Esping Anderson, 1990). By limiting price, public housing limits citizens exposure to market dependency. However, people also have reason to value autonomy in life, a sense of control over important decisions that affect them. The private homeowner is sometimes described as the king (or queen) of their own castle. And while home ownership is governed by all kinds of things besides the desires of the homeowner - zoning, taxes, school quality, transportation, interest rates, etc., there is no question that ownership confers greater autonomy.

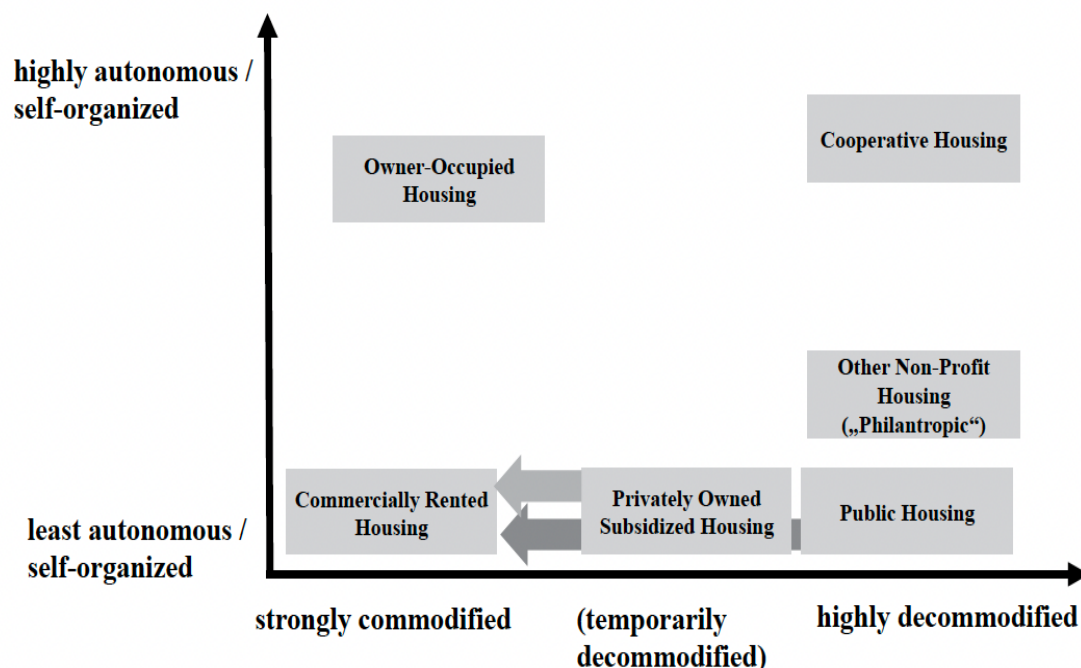


Figure 2 Decommodification and self-organization: Two criteria to assess arrangements of housing provision. Source: Balmer and Bernet, 2022.

Figure 2 is from a paper by two German researchers, Ivo Balmer and Tobias Bernet. The vertical axis indicates the extent to which forms of housing allow people to be autonomous and to organize their own lives as they see fit. On this account owner occupied housing confers the ability to control basic conditions in one’s life, public housing not so much. The horizontal axis measures the extent to which housing is a commodity, something for sale in a market, or a right, something that is inherent in citizenship. Public housing shields households from price fluctuation whereas rental and owner occupied housing do not. The Balmer-Bernet paper is concerned with examples of successful cooperative housing in Germany and Switzerland, a form that is both highly decommodified and allows people to organize their own lives.³ In their model this form is optimal because successful cooperative housing gives people autonomy from the market and the ability to have a say in their living conditions.

³ Balmer and Bernet argue that subsidized, privately owned housing tends to become commodified over time, but their full argument is beyond our scope here.

We use this chart to exemplify the critical tradeoff between housing as a right and housing as a commodity. Different societies or communities might reasonably make different choices between housing as a right and housing as a commodity, something for sale in a marketplace. But the choice must be made. Housing is the most important, the most immobile, and the most durable of goods. When provided by the state, it generally limits the autonomy people are able to achieve in their lives. When it is turned into a commodity, it becomes like any other good - luxury cars, expensive vacations, gourmet meals - available to those who can afford it. Housing, a basic need, is never allowed to be fully commoditized, because of the social turmoil and suffering that would bring, but the mix between commodity and need plays out in most housing policy decisions even if it is rarely discussed.

We now turn to an examination of site based, or clustered housing, vouchers, and scattered site housing, looking closely at specific cases for each type. This is followed by an extended discussion of several programs in Montgomery County, Maryland aimed at expanding public housing and affordable housing. Montgomery County has long been on the leading edge of solutions for supplying public and affordable housing and has several model programs on which to South Kingstown could build.

II.A. Site based (clustered) public housing

The usual picture the average person has of public housing is a, nondescript, building made of bricks with multiple windows, somewhat run down and lacking any attractive features, either a very large single building housing or a series of smaller buildings taking up many blocks. Whichever version comes to mind, it houses hundreds of people living near or below the poverty line in a concentrated area. . This is what is formally known as site-based public housing, often managed by a Public Housing Authority (PHA). In this type of public housing there are many units available for people who cannot afford market rate housing. While site-based “cluster” housing has a bad reputation, there are benefits associated with living in clustered housing. First, the concentration of residents could allow them to have easy access to various social services. In contrast to a scattered housing context, services such as food pantries, health clinics, childcare and other targeted wrap-around services have a harder time servicing

populations spread across a large geography, particularly when transportation is limited. Clustered housing can also provide implicit advantages to community members. For example, one might benefit from free child-care if they trust a neighbor to watch their children while they are away. Residents are more likely to form social bonds if they live closer to each other. Indeed, one randomized control trial of chronically homeless and homeless with mental illness, found that being assigned to live in concentrated housing was related to more significant improvements in the residents' severity of disability, psychological community integration, and recovery compared to the group assigned to scattered site housing (Somers et al 2017).

Despite social and service benefits, clustered housing has received significant criticism over the last few decades. High poverty concentration and segregation are among the barriers to upward social mobility in site-based public housing (Hartley 2014). Bad management practices also play a outsized role in clustered housing. If the units are not properly maintained, the whole structure will be susceptible to degradation and the area may be prone to more criminal activity (Hartley 2014). Management issues with maintenance and upkeep of cite based housing is what led to Americans viewing public housing as low quality and undesirable and led to a political shift toward subsidized units in mixed-income communities and the use of tenant-based vouchers under the HOPE VI program beginning in the 1990s (Goetz, 2013). Despite good intentions, the result of the move to more "scattered" approaches to the country's public housing supply has been a net reduction of affordable units nationwide, with majority African American communities especially negatively affected. As a result, scholars who study the affects of the shift to scattered housing have called for renewed investment in site-based housing alongside choice (voucher) initiatives.

Here, we review what's working and what has failed in site-based housing. The most important question is how to provide the best services to tenants in a clustered housing environment. We find that tenant voice, in the form of participatory development and tenant management has distinct advantages in overcoming issues that have historically plagued site-based developments. The structural design of buildings also matters. In addition, we review the effectiveness of several types of partnerships available to Public Housing Authorities (PHAs). We present these findings through several case studies. In the next section, we discuss best practices in voucher and scattered cite approaches.

I.B. What is participatory development? What are the benefits and limitations?

Housing authorities in the U.S and around the world always claim they want the best for their residents. They use several methods to guide their activities. A needs assessment can be done either by the housing authority itself or by hiring a professional company. Another method is to involve residents in the development and governance of public housing, a process referred to as participatory development. With formal, professional needs assessments, residents often do not feel like they have a say in what is going on. Sometimes the needs expressed are not executed. In other cases, there is a disconnect between the needs as translated by assessors and the preferences of the residents due to cultural disconnects. For example, one housing development found that while the needs assessors had designed apartments targeting families to include large closets, focus groups with the families as part of a participatory development program found that the families did not want large closets because large closets could lead to pressure from family members to turn them into makeshift bedrooms. What residents wanted was small closets but large kitchens so family members could cook and clean while making sure the children were doing their homework and staying connected with the family together. This disconnect would not have been caught through the standard needs assessment process that had been employed in this agency.

Several housing authorities in the U.S and abroad utilize a form of participatory development to respond to the needs of their residents (Foroughi 2020; Pimental Walker 2016; Tapscott & Thompson 2013). Compared to programs like the federal Housing Opportunity for People Everywhere (HOPE), participatory development is more inclusive because it more effectively engages local residents (Perkins et al 2018). In other words, community members have the possibility to actively participate in the decisions about the units' design. The relevance of this inclusion cannot be understated since minority groups have been historically excluded from crucial decision-making (Perkins et al 2018). Participatory development is a democratic process where tenants, along with managers and staff vote on the priorities in the community. The characteristic steps of participatory development are brainstorming with residents, ranking priorities, voting, and finally allocating funds honoring the suggestions of community members. The model can also be employed to make decisions about alternative architectural plans or upgrading decisions.

One challenge to participatory development is HUD restrictions on where money can be spent. These restrictions, just like the financial limitations on Housing authorities more generally, must be communicated to residents. When residents are not given full information on financial or technical constraints, residents will feel unheard. By fully engaging residents in the process that managers undertake with full information, residents can feel heard, represented, and more successfully responded to. Great communication and professionalism of housing authorities are keys to the success of this model. As a result, some investment must be made in training housing authority staff on how to conduct participatory development and their role in the process. Both staff and residents need be clear on what the responsibilities and expectations are regarding the process. It is necessary that the Public Housing Authority (PHA) is transparent and inclusive in all the steps.

We summarize three cases that shed further light on participatory development:

CASE STUDY 1 PARTICIPATORY BUDGETING

In 2009 Chicago became the first city in the United States to use participatory budgeting (PB), in which citizens get direct input into city and ward budgeting decisions

(<http://www.pbchicago.org/pb-in-chicago.html>). Projects have included local improvements to schools, parks, libraries, public housing, streets, and other public spaces. While the participatory process cannot be used to build new public housing, it does give residents input to infrastructure decisions and more voice in city and ward management generally. PB has since spread to Los Angeles and more recently New York. HUD promoted participatory budgeting in the later years of the Obama administration and there is reason to believe that the citizen participation could become a key part of the revitalization of public housing at national level.

<https://www.hudexchange.info/programs/participatory-budgeting/>

CASE STUDY 2: Toronto Community Housing Authority Tenant Participation System

The Toronto Community Housing (TCH) formed the Tenant Participation System (TPS) composed of tenants, management, and staff to promote social inclusion. They serve around 164,000 residents who are primarily refugees and immigrants (Foroughi 2020). Participatory development is particularly important to them in this context because they are dealing with a

very diverse group. It allows housing officials to know the actual needs of residents rather than having false assumptions. The TPS organizes regular workshops to identify and prioritize problems faced by the community. Not all tenants are part of the TPS; they are encouraged to attend workshops and offer suggestions, but the committee only includes tenant representatives, chosen through elections. After ranking priorities, the TPS proceeds to a vote to allocate funds to different projects. The model in Toronto works well because not only do tenants have a say in the development projects, but the process also helps bring them together. However, problems have developed over the roles of the parties involved. This is partially the fault of the TCH because managers were not educated enough on what tenant participation actually means. Tenants are not managing facilities in this model; they only help officials have a clear understanding of what the priorities of the residents are. As stated above, communication is key so all parties should know that the goal is to make the development inclusive (Foroughi 2020).

CASE STUDY 3: Porto Alegre.

Porto Alegre (Brazil) is well known as a center of participatory budgeting and development. In fact, citizens can rank priorities in healthcare, security, housing and other important areas (Walker & Paula 2016). In this model, residents verify what is determined by formally signing the final plan. With the signatures, residents confirm they participated, and architects or other professional developers are directly connected to them. This model also allows residents to make decisions in situations where there must be a tradeoff. For example, if a new development can either have sidewalks or street lighting due to limited finances, residents can determine which is more important given their life experience and cultural preferences. In one example of this, in Porto Alegre, while getting signatures on the plan, urban developers found that people preferred clustered housing as opposed to scattered housing because they wanted to be closer to family and friends (Pimental Walker 2016).

Participatory development has a lot of benefits but also has its limitations. Follow through by and accountability of officials is key to successful participatory development. There are many examples of participatory development schemes that failed on this count. For instance, in the village of Nagpur, Indian authorities labeled many development projects as participatory but never consulted the residents (De Geest & De Nys-Ketels 2019). Protests occurred because

officials did not take residents' priorities into consideration but had advertised the process as inclusive.

Another limitation is the misunderstanding of the term "tenant participation." It is imperative that managers and staff understand that tenants are not there to take over but to be a partner in decision making. This is why some managers see workshops as time consuming and irrelevant because the perception is that tenants are "stepping over management." On the other hand, some tenants find workshops tedious. A lot of them also do not like to deal with housing authorities. The town of Merthyr Tydfil in the U.K found an alternative to formal workshops by creating two forums: A cooking workshop and a youth forum (Lambourne & Jenkins 2020). In the cooking workshop, residents gather to discuss the issues faced by the community while sharing meals together. Tenants note they prefer these events over workshops because they do not like dealing with housing authorities.

Rhode Island has a similar example where the Rhode Island Foundation organized a series of get-togethers under the title "Together RI". Neighbors assembled around tables for a spaghetti dinner to identify problems and discuss solutions with each other. While this exercise was not aimed at public housing residents, the Foundation might support the model being used in public housing given its success around the state.

Best practices for participatory budgeting (PB):

- Create a sense of community through the active participation of tenants in meetings
- Elect tenant representatives to improve participation and commitment in large complexes
- Encourage all tenants to attend workshops and offer suggestions
- Organize frequent workshops to help PHAs observe how priorities change overtime
- Organize other social gatherings such as cookouts or dinner to accompany discussions
- Clearly define the role of the tenants and management in the process

- Have a system for accountability, such as having both parties sign the final development plan

I.C. What is Tenant management? What are the benefits and limitations?

Public housing authorities in the U.S and abroad have developed several models to improve tenant participation and as a response to challenges with tenant representation. The lack of infrastructure for tenants is one of the most crucial barriers to their upward mobility. Without access to transportation, a proper network and a good education, segregated tenants may get trapped. When criminal activities prosper in public housing, the units degrade, and the stock becomes a political burden for both local and state authorities. Some public housing authorities try to prevent this from happening by involving tenants as much as they can in the management of the facilities. Indeed, the main theme is to let tenants have a say in the decisions that will affect them. In some cases, housing authorities have experimented with having tenants be actively involved in the management of day-to-day activities (Fuerst 1988). For example, housing authorities in Boston and St Louis have made use of tenant management where a group of tenants was funded by local and state government to keep up a property after management failed to properly maintain the units (Irons 2016; Brodt 1986). Tenant management can be inclusive and effective, only if the tenants receive funding and support from the housing authority. The clustered site-based public housing units in Boston and St Louis are relevant examples to demonstrate how tenant management works in practice.

Case Study of tenant management: Mildred C. Hailey apartments (Boston, MA)

The Bromley-Heath public housing development was renamed after Mildred C. Hailey, a tenant who took over the management of the 779 unit facility. Before Ms. Hailey took the position with other tenants, the situation in Bromley-Heath was unacceptable. Like many other public housing developments in the U.S the area was highly segregated and there was high crime. The delivery of services to residents was severely inadequate due to safety fears among service deliverers. Tenants lacked necessary infrastructure and management was unresponsive.

Public officials did not want anything to do with the complex. As a result, they gave the reins to a group of tenants who had organized for change. Letting Mildred Hailey take control was a life

changing decision for both authorities and tenants. When she became the manager, there were over 4000 broken windows and a lot of young people had already joined local gangs (Irons 2016). Another problem in Bromley-Heath was unemployment since residents lacked access to opportunities. Hailey employed youth and building trades workers of Bromley Heath. She hired several tenants skilled in painting and carpentry to help with the renovation of units. This was a strategic way of providing struggling tenants with a source of income which would help them pay rent. It also increased the participation of the tenants in the development and maintenance of the units and gave ownership and responsibility to the tenants. Hiring tenants with some skills can be useful on two levels. First, because they are on the frontlines of the renovations, they can give direct feedback to management on how to better serve the community. Second, hiring tenant experts can prevent relocation of tenants due to inadequate income. One worker in Bromley-Health testified that Mildred Hailey saved his life by hiring him because the alternative was joining criminal organizations in the area. Crime diminished as a problem due to the resident led security force (<https://www.bostonglobe.com/2020/10/02/opinion/what-legislators-can-learn-boston-public-housing-development/>). The Hailey Apartments have now been promised \$50 million in new capital improvements as the centerpiece of new Mayor Michelle Wu's housing program <https://www.bostonherald.com/2022/01/20/jamaica-plain-public-housing-development-targeted-for-big-investments-this-year/>.

The biggest takeaway from Bromley-Heath/Hailey is that the tenant management model can work with proper support from local and state officials. Mildred Hailey was able to receive funding at both levels (state and local) and this is why she was able to run day to day activities. An important note regards if there are not tenants trained on the skills needed to maintain the building. This could be an opportunity to provide job training and partner with the Department of Labor and Training to build workforce skills of residents who express interest in both helping the complex and expanding their marketable skills.

Case Study of Tenant Management: Cochran Gardens, St Louis

Cochran Gardens represents the oldest experiment with tenant management. As in Boston, tenants took over as a last resort because the issues surpassed authorities' abilities. A resident named Bertha Gilkey led the board of the Cochran tenant management corporation (Brodt 1986).

This group hired professionals, but they also actively volunteered in development efforts to encourage other tenants to do so. The peer pressure pushed many residents to serve the community, creating a sense of belonging. Before they took over, the buildings were decorated with bullet holes and were the home of significant criminal activities. The corporation, with the help of authorities, managed to raise funds to create new infrastructure that would provide better services to tenants. Cochran benefitted from day-care for working tenants and a variety of support groups with the goal of reducing criminal activities. The importance of all this infrastructure in site-based housing cannot be understated. As stated above, the existence of solid social networks and access to proper education are keys to upward mobility of residents. Cochran Gardens tenant management worked extremely well until the CG corporation stopped receiving funding from local authorities., The model that the corporation had developed was not sustainable without the funding. In the end, most of the buildings in Cochran Gardens were demolished through the HOPE VI program.

The first and one of the most successful tenant management models in the U.S did not fail because of human resources but because of the political context--tenants stopped receiving funding because the elected officials preferred to replace the complex with housing for higher income residents that had political benefits not tied to the benefits to those in public housing. (Brodt 1986)

The main difference between the Mildred C. Hailey apartments and the units in Cochran Gardens is the support tenants received from local and state authorities. Also, in Boston, management provided the essential services in transportation and health care which assured sustainable development. The similarities between the two is that tenants were empowered to manage and conduct day-to-day activities and involve peers in development efforts. On one side Mildred Hailey gave jobs to a lot of young residents which helped divert youth from criminal activity and reward community action. Bertha Gilkey and other residents in Cochran gardens offered adequate management services that enforced solidarity within the community.

Important Conclusions for Tenant Management:

- Tenant management requires adequate funding

- Tenant management can help overcome issues that derive from historical neglect of management or when existing residents have technical skills or can partner with job training (e.g. DLT) to train residents in marketable and applicable skills such as plumbing, carpentry, electrical, and management
- PHAs must be willing to let tenants lead and facilitate fundraising efforts
- Hiring tenant experts can boost development efforts and create a sense of community

I.D Relevance of structural design of public housing, non-profits, and inter-agency collaboration.

Public housing has not always been physically attractive and has a public and political reputation for being rundown (Goetz 2013). Research also suggests that the historical physical construction of public housing may have helped generate criminal activity (MacDonald 2015). Many of the architectural designs for public housing across the country turned out to be difficult to police or govern and made it impossible for residents to uphold community behavioral standards. The lack of investment in upkeep exacerbated the design problems (e.g. empty units taken over by squatters, dark hallways, large stairwells with no security, etc.). The units have always been subject to stigmatization due to the socio-political context. To this day there are debates around how to properly help those who cannot afford the “market rate”. The buildings are often home to a lot of low-income families with little to no opportunities for economic stability in the traditional workforce. This negative perception of public housing can make it hard for new housing stock to be built in wealthier areas. One way communities have faced this is by investment in attractive housing stock that fits in with the community’s décor, providing community recreation, having a high standard for environmental quality, limiting or eliminating all spaces that are not governable, and investing significantly in upkeep.

Vincent Lane, the former chair of the Chicago Housing Authority tested this idea in the Lake Parc Place project in Chicago. The goal was to rebuild the units in Lake Parc Place so that residents enjoyed all the necessary amenities. The most important renovations included a playground, trees, a pool, and a full-time janitorial staff (Rosenbaum et al 1998). These types of infrastructure were not “the norm” in public housing. Indeed, the key for Lane was to take out the image of unattractive, poorly managed, crime infested public units so that low-income

individuals feel safe and valued and the community perceives the residents as quality neighbors. They also made sure that public safety was properly funded to avoid any emergence of criminal organizations or over-presence of police. The plan has shown success: a survey showed that the majority of residents were satisfied with the services offered in the building (Rosenbaum et al 1998).

I.e Non-Profit Organization Partnerships

Many of the issues that PHAs face come from the fact that they cannot identify or that they actively neglect the needs of residents. As discussed above, tenant participation and tenant management can solve this problem by effectively involving the community. However, there can be complications due to lack of funding or lack of tenant engagement. PHAs have partnered with nonprofit organizations to help with fund-raising and community engagement efforts. Certain organizations are better equipped and have a large enough network to help PHAs get more funding for their projects. This can also ensure that development projects are not halted due to lack of funding. Also, since not all residents feel comfortable dealing with housing authorities directly (Lambourne & Jenkins 2020), working with nonprofits may help PHAs reach more people in the community, especially if they engage case workers and other employees who have relationships with the residents for communication (Lane 1995).

A good example of partnership with non-profit organizations is the MacArthur Foundation's Window of Opportunity program and its collaboration with the Chicago Housing Authority. The Foundation helps with communications and staffing which are crucial for the well-being of residents. With their fundraising efforts, they actively participate in the social life of public housing residents in Chicago. This organization is affiliated with the Chicago Housing Authority and some members of the board also serve on both committees (Lane 1995; MacArthur Foundation).

I.f Interagency Collaboration

One of the most important roles of the PHAs in site-based housing is effective delivery of wraparound services to residents. Interagency collaboration here refers to the relationship between PHAs and other public agencies. PHAs rely on other public agencies to secure adequate

delivery of necessary wraparound services to residents. By doing so, they can help residents live fulfilling lives and meet daily needs . These wraparound services can uplift the community and decrease the likelihood of criminal activity.

In Chicago, the Housing Authority sponsors digital inclusion workshops that provide training to residents in skills that directly support them in daily life. This includes a variety of classes for adults (Word, online security protection, Google accounts, etc.), Youth Coding camps, and digital awareness for seniors. By providing practical and fun training, these programs build trust between the Authority and residents (Thecha.org).

In Queensland, Australia, the Queensland Department of housing teamed up with social services for the “Interagency collaboration improvement project” which focused on improving the provision of services to mentally ill and disabled residents. The project provided training to the housing authority staff and advised disabled tenants on how to keep their housing (Meehan et al 2002). This project is an example of how interagency collaboration can help both parties better accomplish their goals by reaching more individuals.

Best practices of structural design, non-profits partnerships, and inter-agency collaboration

- To prevent the stigmatization of public housing buildings, public housing needs to be built to aesthetically blend into the surrounding neighborhood
- Partner with non-profit organizations to serve as a bridge between residents and PHAs
- Collaborate with non-profit organizations on fundraising efforts
- Maintain good relationships with other agencies to inform residents about opportunities and to provide onsite wrap around services

I. g. Limited Equity Cooperatives

In [Limited Equity Cooperatives](#) (LECs) member-residents jointly own their building and manage it cooperatively. Affordability is maintained by limiting resale values. Residents purchase a share in the development and agree that in the event of resale the price is governed by

a formula rather than purely market conditions. This maintains affordability at the time of purchase and over the long run. Some limited equity cooperatives allow little or no build-up of equity by homeowners, while others adopt a shared equity approach, balancing the twin goals of long-term affordability and individual wealth creation.

There are over 150,000 LECs in the US today. Perhaps the most successful is the [Amalgamated Housing Cooperative](#) in the Bronx, New York. Founded in 1927 as a project of the Amalgamated Clothing Workers and its visionary President, Sidney Hillman, the Amalgamated is now home to 1,482 families and was the model for other housing coops in the New York area including Coop City and the Rochdale villages in Queens, as well as being the inspiration for similar organizations in other parts of the country.

When an LEC is created, initial affordability is typically achieved with some form of government assistance, including construction subsidies, low-interest financing, or direct funding. Startup funding for LECs can otherwise be difficult. In some cases, partnership with community land trusts have overcome this barrier. Some good regional examples include the [Dudley Street Neighborhood Initiative](#) in Boston and the [Champlain Housing Trust](#) in Burlington Vermont.

II.a. Housing Choice Voucher Programs

For decades, the policy of choice for public housing has been voucher programs. Voucher programs are touted as a way to allow those who qualify for public housing subsidies to access housing on the private market and increase the amount of locational choice voucher holders can employ. This became popular as an alternative to housing “projects,” or concentrated housing, to promote upward socioeconomic neighborhood mobility, poverty de-concentration, and racial desegregation (Teater, 2008). There are practical problems with vouchers that are well known. While almost all housing voucher programs across the United States have long wait lists, the additional constraints placed on vouchers to “use it or lose it” in the face of a tight rental housing market, makes them impractical for many potential recipients. Many voucher recipients also report lacking support enough support to identify and occupy available housing.

Moreover, availability in the market does not guarantee voucher holders will be able to rent the units. So, on the one hand, not all available rental units take vouchers because landlords/owners must have their units meet HUD standards. On the other hand, discrimination against voucher holders is widespread. Landlords are naturally driven by financial motives that generally do not line up with the purpose of public housing. They tend to have subjective perceptions of voucher tenants driven by cultural stereotypes. Voucher tenants are often compared to imaginary market rate tenants. Landlords also report that the bureaucratic headaches of voucher programs make them unattractive. Landlords are also known to discriminate against voucher holders. In fact, at least one study found that signaling voucher status cut landlord response rates by half (Aliprantis et al 2019). Circumstances in which landlords with units in desirable neighborhoods take on voucher tenants are rare, and they primarily occur where the landlord has the ability to distribute the costs among many other units or the landlord feels compelled to assist by way of altruism (Basolo et al 2005). This is particularly challenging for areas where most units are owned by landlords who own only one or a few units and cannot spread the costs across many units.

Numerous studies have evaluated how well voucher programs do at both increasing mobility and decreasing poverty concentration. Primarily, these studies indicate that vouchers have limited, if any, success achieving either goal (Carlson et al. 2008; McClure 2008; McClure and Johnson 2015; Varady et al. 2010). While theoretically, voucher holders can settle anywhere in the designated area, research shows that recipients “are no more likely than unsubsidized households to penetrate discriminatory market barriers and find rental accommodations in integrated living environments” (Carr 1999, 143). Though some voucher holders end up living in moderate-income areas, the majority do not move far from their previous neighborhoods (Varady and Walker 1999). There are considerable racial disparities in which households are able to find housing in nonpoor neighborhoods (Basolo and Nguyen 2005; Briggs and Keys 2009; Pendall 2000a). In particular, nonwhite participants have been shown to be highly likely to move to areas with greater concentrations of voucher holders and poverty (Basolo and Nguyen 2005; Guhathakurta and Mushkatel 2000; Lahr and Gibbs 2002).

Tighe and colleagues (2017) note that while the above referenced patterns could be a result of choice on the part of the voucher holder to stay in familiar areas, “tenants’ stated desires

conflict with their eventual choices” and “overall, the research suggests voucher holders would like to move to higher-opportunity neighborhoods but often are unable to do so.”

Rhode Island recently passed an update to the Fair Housing Act prohibiting landlords from discriminating based on the source of income (such as a voucher). Some research has indicated that utilization of vouchers is higher in jurisdictions with Source of Income (SOI) anti-discrimination laws (Freeman 2012) but only slightly (Freeman and Li 2014). One reason for this is that SOI laws require enforcement on the part of the applicant and many low-income renters do not know their rights, lack the resources to raise an SOI compliant, and proving intent is particularly difficult in tight housing markets. As a result, Housing Authorities that help voucher holders identify and apply for market-rate housing can also help identify when voucher holders are being discriminated against and initiate complaints.

Some studies have found that active engagement of landlords, particularly workshops and ongoing contact, counseling, and troubleshooting can help dispel cultural stereotypes, build trust, and increase housing supply for voucher holders. Transparent and frequent interaction between landlords and public housing authorities accomplishes similar outcomes.

Housing vouchers have also *not* been found to decrease eviction rates for recipients. Since vouchers cover the difference between what one can afford to pay and the market rate of housing, any negative impact on a recipient’s income (e.g. a sick child or temporary unemployment, etc.) can lead to eviction and the loss of housing. Recent research found that living in traditional public housing decreases a family’s likelihood of experiencing eviction but not the probability of being late or unable to pay rent (Lundberg et al., 2020). However, the impact of housing voucher programs on eviction is inconclusive (e.g. those with vouchers were just as likely to experience eviction as those without vouchers) (Preston and Reina 2022). This is consistent with the idea that concentrated “project” based public housing operators are more willing to work with renters who fall behind on their portion of the rent than private landlords. Below, we summarize recent evidence on tenant counseling and on programs to improve communications with landlords.

Cincinnati Metropolitan Housing Authority

A case study of the Cincinnati Metropolitan Housing Authority (CMHA) in 2017 identified strengths and weaknesses of the housing authority, landlord perceptions of the housing choice voucher program (HCVP) and the CMHA through a combination of landlord organized outreach event observations and in-depth interviews of landlords and unspecified stakeholders. These findings seem relevant to South Kingstown and perhaps to other communities in Rhode Island.

1. Landlords felt the CMHA was indifferent toward them, given the lack of effort behind day-to-day communications, management, and updates regarding policy changes. Sparse communication frequency regarding matters such as the time consuming and bureaucratic process of having a unit approved for tenant occupation is a significant deterrent for landlords. Landlords felt that the absence of a clear demarcation between landlord and tenant responsibilities regarding maintenance and tenant management often led to problems in communication. Landlords expressed that they believed the Housing Authority should treat them as customers, just as they do tenants (Varady, 2017, pg.153).
2. Housing authority staff members in this case study tended to elect the path of least resistance and work with landlords in low-income areas. This tendency derails poverty deconcentration efforts. Given landlords in higher income neighborhoods may have more options for renters, resources need to be directed toward recruiting landlords in high income neighborhoods and maintaining mutually beneficial relationships with them.
3. CMHA hosted an event to assist matching landlords with tenants and provide education regarding the housing choice voucher program to both sides. There was a Landlord Workshop to inform renters about fair housing issues and Landlord Orientation Sessions for those interested in learning more about renting to HCVP tenants. The orientation session attendance was abysmal, the landlord workshop had higher attendance levels “because it addressed landlords’ need of specialized counseling by property management experts” (Varady, 2017, pg.154). This suggests that landlords are more likely to be receptive to public housing authority outreach when it caters to their needs. It may be beneficial for both the public housing authorities and landlords if there are outreach attempts that both cater to landlord needs by addressing their concerns, and discuss the misleading stereotypes about housing voucher recipients.

This case study indicates it would be beneficial for the South Kingston Housing Authority (SKHA) to meet both frequently and promptly with landlords and provide uniformity in the the standards for rental unit inspections.

Tenant Counseling: Cleveland, Ohio, Baltimore, Maryland, and Dallas, Texas.

In a study published in 2018 (Garboden et al 2018), three public housing authorities (Cleveland, Baltimore, and Dallas) were assessed for their degree of landlord participation through 127 interviews from a random landlord sample and a field landlord sample. Both Baltimore and Dallas had housing mobility programs that consisted of providing counseling for housing choice voucher program tenants along with providing improved customer service for landlords. Tenants were provided with counseling around budgeting, home repairs, tenants' rights, and other components considered important in private market renting. Landlords reported feeling that housing choice voucher program recipients from the housing mobility program were higher quality tenants. It is likely that the extensive supportive counseling played a role in this sentiment. Counseling in tandem with superior customer service consisting of more frequent and transparent communication led to a successful rebranding of the housing choice voucher program as housing mobility programs. The rebranding increased the optimism and engagement of prospective landlord participants. Providing counseling also increased the likelihood of voucher holders experiencing success in moving to less impoverished neighborhoods and being able to stay there (Eriksen and Ross 2013).

Best practices identified for voucher programs:

- Implement clear expectations for communications and professional boundaries for both landlords and PHA caseworkers.
- Provide easily accessible information about the different components of accepting housing choice vouchers for tenants and the rights of both landlords and tenants.
- Provide clear and distinctive boundaries regarding the differences between landlord specific and tenant specific responsibilities regarding rental unit maintenance. Train tenants on their responsibilities.
- Enforce consistent, uniform, and standardized rental unit inspections.
- Institute an expected communication response time frame from all parties that all parties would be entitled to, given the time sensitive nature of housing (tenant, PHA, landlord).
- Establish a set of standardized practices for dealing with tenants with behavior issues identified by landlords. Clearly communicate this system to landlords.
- All communication with landlords and tenants should be clear and concise. Abstain from infrequent, vague, or inconsistent communication.

- Attend to landlord needs and concerns, this limits the scope of success that prospective tenants will have in renting units.
- Work closely with Landlords to recruit them, help match them with prospective tenants, and dispel stereotypes.
- Help voucher holders identify available units and navigate the application process. Help file SOI discrimination complaints on behalf of tenants when income discrimination appears to have occurred.

II.b. Scattered Public Housing: Theory vs. Evidence

As discussed above, there has been a clear disconnect between the hopes of deconcentrating the poor and the actual empirical findings of the impact of deconcentration. Much of what is known about the benefits and drawbacks of scattered vs site-based housing comes from the “Moving to Opportunity” (MTO) experiment. “Moving to Opportunity” was a housing mobility experiment designed to identify the effects of moving impoverished public housing residents into wealthier neighborhoods. Through the program, households living in racially segregated, high-poverty neighborhoods (primarily concentrated public housing complexes) were randomly assigned housing vouchers for use in low-poverty neighborhoods. Researchers found that receiving an MTO voucher had no effect on labor market or education outcomes four to seven years after assignment (Kling, Liebman, & Katz, 2007a; Sanbonmatsu et al., 2006). However, there were some benefits for children in public housing. For example, researchers found some positive mental health benefits among adolescent girls (Schmidt et al 2020). Most importantly, large economic and educational effects were found for those who moved to a lower poverty neighborhood earlier in their life (Chetty et al. 2016). A critical finding from these studies is that young children benefited most from moving out of concentrated poverty. Those who moved before their 13th birthday had significantly higher college attendance rates, lower single parenthood rates, and higher earnings once they became adults. Children over 13 who moved had slightly negative effects, suggesting that the disruption in their housing and neighborhood was more harmful than the benefits the new neighborhood bestowed (Chetty 2016). And again, there were almost no benefits found among adults.

These findings were all grounded in neighborhood effects. The idea is that by building scattered site housing or allowing people to use vouchers will allow them to live in areas with more resources. The theory is limited to the resources that are bestowed by the larger community: better funded, desegregated schools, more employment opportunities, lower crime rates, and more access to health care. While this is applicable to large cities and suburbs with large, concentrated poverty neighborhoods, the applicability to places like South Kingstown is less clear. South Kingstown has only one high school, two middle schools and four elementary schools and the economy is not segregated between neighborhoods. Given the low number of units that SKHA has and the overall wealth of the community, the MTO experiment would suggest that targeting schools with the lowest concentrations of poverty, particularly elementary schools, may garner the most benefits for families with small children, but that scattering across neighborhoods, none of which have a high concentration of poverty, is unlikely to yield additional benefits.

Other problems identified by the literature on both vouchers and scattered site public housing includes transportation and access to support services. When low-income populations are concentrated, social services can locate nearby or provide targeted services. The more scattered low-income populations become, the more challenging it is to effectively meet their needs with wrap-around services. This is exacerbated by higher income residents objecting to clinics, vans, or other services for low-income populations being present in their communities out of fear and stereotypes of the effects of low-income populations on housing values, crime, etc. While there may not be empirical evidence that these are real issues, political feasibility none the less becomes a challenge. Some communities have overcome the issue of service access for recipients in scattered public housing by having a large, scattered site portfolio that “creates a critical mass of properties within neighborhoods” (Barnes 2012) but again, that still concentrates the housing even if it is not all located in one exact location. Moreover, given how few properties SKHA is considering building, this is an important consideration.

Further, scattered housing creates transportation problems for tenants, who can no longer pool transportation resources or who may lack access to multiple cars per family or have unreliable cars. Given poor public transportation access in the United States, and in South County Rhode Island, the deconcentration of public housing has severe consequences for

accessing work and services and a failing car can lead to job loss and eviction. In the survey this team conducted of current residents of SKHA public housing, we found that, while most residents in South Kingstown own a car (76%), a nontrivial number noted their car is unreliable. This suggests that a small but sizeable portion of residents rely on public transportation. And when families have only one car, the ability of other family members to access health care and other services while the other family member is at work presents major challenges. As a result, “scattering” housing throughout South Kingstown may exacerbate the transportation challenges current residents already face. About one-fifth of residents already report that accessing public transportation is currently difficult, a relatively low number and reflective of the fact that the current SKHA housing is served by RIPTA service lines.

III. Regulatory changes to increase public housing availability

In this section we will go over the cutting edge “best practices” for regulatory changes that the South Kingstown Town Council and other area jurisdictions could adopt that would lead to increased availability and integration of public housing and voucher accessible units.

IIIa. Right of First Refusal Housing Laws

Right of first refusal policies (ROFR) are a fairly common clause in business contracts. They essentially give some interested party the first crack at making an offer on a business transaction. In real estate, it operates similarly. ROFR policies are clauses put into contracts or leases on single properties or properties throughout a jurisdiction that gives interested buyers a contractual right to be the first party to have an opportunity to place an offer on the property when it is listed on the market for sale by its owner. In the case that another party expresses an interest in purchasing the property first, the ROFR laws allow the ROFR holder to buy the property themselves or decline and let the seller pursue other offers. ROFR policies have become a tool that municipalities have formalized in local law to allow tenants to more easily purchase the units they currently rent or for Housing Authorities to purchase buildings and units before private developers turn them into condos. These laws have become a critical tool for municipalities and Housing Authorities with limited land available on which to build and help preserve rental housing and prevent the conversion of subsidized rental properties to another use by enabling their sale to Housing Authorities.

Municipalities have begun to create their right of first refusal policies to include multiple stakeholders in a specific order. For example, the owner may first need to offer the building or unit for purchase by the current renters, then if they decline, the owner must offer the building or unit to the Housing Authority, and if they decline, the owner must offer the building to a designated nonprofit that manages affordable or public housing. Only then may the owner offer the unit to the private market. This type of set-up maximizes the probability that units become or remain affordable or become available to public housing eligible or other low- or very low-income residents.

Right of first refusal policies range in their restrictiveness and include:

- Right of notification: Notice provisions that simply determine the length of advance notification during which the renter/municipal agency/non-profit has a non-exclusive right to identify a buyer. These are the weakest of all ROFR laws as there is no obligation on the part of the subsidized property owner to sell to that party.
- Right of First Refusal only: These laws allow eligible purchasers to match an existing purchase offer.
- Right to Make An Offer: These laws gives eligible purchasers exclusive rights to make an offer for a designated period of time; if no offer is accepted, eligible purchasers are typically then given the right of first refusal to match any subsequent purchase offer that the owner accepts
- Preemptive private sales: These laws require owners to sell the property at fair market value to a designated buyer. These laws typically have the price determined by independent appraisers (Local Housing Solutions 2022).

Other considerations when drafting a ROFR law include the length of time that the designated ROFR has to make an offer and the support for purchasers. Time frames for ROFR designees range from several months to over a year. Longer time frames allow residents the chance to organize, and, along with other potential buyers, secure financing in preparation for making a bona fide offer. Particularly for tenants who would like to purchase their building or unit under a ROFR law, also often need support. Some communities have created complementary programs that help tenants manage the purchase and the operation after

purchase. One way to do this is to identify a non-profit organization that has experience conducting preservation transactions that can act as partners to help tenants throughout the process if the Housing Authority does not have the internal capability to do so.

Montgomery County Maryland has one of the "best practice" ROFR laws in the country and it has been identified as preserving and creating a significant amount of low- and very-low-income housing. The Montgomery County law requires that tenant associations, the County, and the Housing Opportunities Commission (the County's public housing agency) be given the right of first refusal to match a bona fide offer to purchase rental housing. More details of the [Montgomery County law](#) can be found in the county code, section 53a.

IIIb. Inclusionary Zoning

Inclusionary zoning refers to zoning ordinance requirements that new residential development must include affordably priced units or units available for low or very low-income residents, either for rental or home ownership. The control period, or time in which the units must remain available to households below a certain income level, varies depending on the regulations of the jurisdiction. Some are as short as 10 years and others are as long as 100 years. Inclusionary zoning programs and regulations now exist in 31 states and there are over 1,000 programs nationwide. They have become the best practice for producing affordable housing and desegregating low-income housing opportunities. The vast majority of Inclusionary Zoning (IZ) programs are mandatory, although there are some that are voluntary and include enticements to build inclusionary housing.

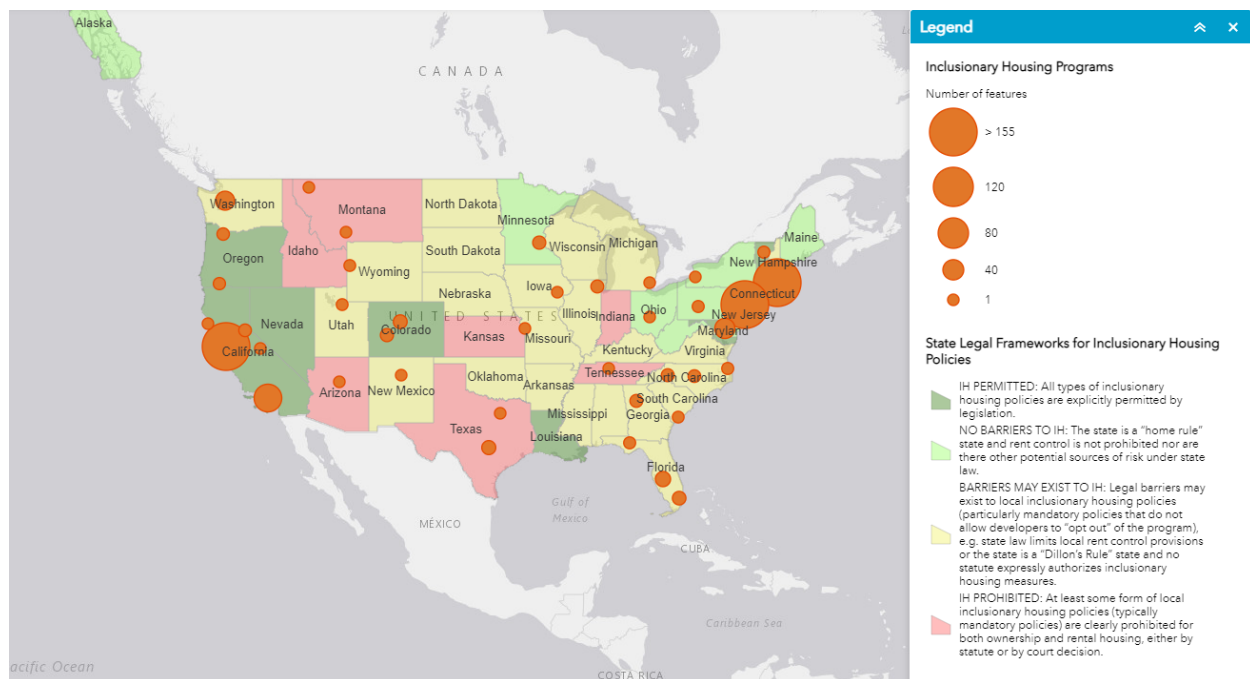
The amount of set-aside units also varies significantly depending on the program. As one study of IZ programs found, 29% of IZ programs required 20% or more of the housing built be set aside for "affordable housing", whereas 55% required between 10 and 20% of units to be affordable ([Reyes and Wang 2021](#)).

Some IZ programs provide incentives for developers who increase the number of houses available to lower income families. For example, over half of IZ programs nationwide include a density bonus. Some jurisdictions have also included other changes like reduced fees, tax

abatement, direct financial incentives, parking reductions, and expedited permitting for developers who meet or exceed the set aside standards (Reyes and Wang 2021).

While some opponents claim that IZ policies drive up market rate houses or decrease development overall, the research has not borne this out. A review of all of the economic and sociological studies on IZ policies effects on development and housing costs stated that “Overall, evidence that IZ laws negatively affect private market prices and development is mixed” and noted that public policy researchers have found that there is a “lack of rigorous evidence on the effect of IZ policies on the private market and call for additional research into how these laws truly affect home prices and production” (Ramakrishnan et al. 2019).

Figure 3. Inclusionary Zoning Regulations in the United States



Source: Grounded Solutions Network. Greater exploration of this map and the data on inclusionary housing programs nationally and by state and locale, is available at:

<https://inclusionaryhousing.org/map/>

Again, Montgomery County, Maryland has one of the oldest inclusionary zoning policies in the nation. It remains one of the most progressive and the most applicable to the plight of the SKHA. It is one of only a few that have requirements specifically aimed at increasing public

housing in addition to generally “affordable” housing. It serves as a best practice guide for South Kingstown. It also has two other precedent setting programs that could be models for South Kingstown and other jurisdictions in Rhode Island.

Inclusionary zoning programs across the country have different mixes including mandating a portion of the properties be built explicitly for public housing recipients via ownership by the relevant Housing Authority.

IIIc. Montgomery County Inclusionary Zoning

Montgomery County, Maryland first faced a shortage of affordable housing for low- and moderate-income households in the 1970s. In addition to a large increase in young families who needed housing, this situation was exacerbated by controlled growth policies enacted by the County government (such as open space preservation, single family zoning, lot size restrictions, and other policies currently in place in South Kingstown) that made it difficult for developers to subdivide land into residential lots at affordable prices, the installation of public infrastructure such as water and sewer lines, schools and roads not keeping pace with the demand for housing and a county instituted sewer moratorium that significantly restricted the number of new water and sewer house connections permitted.

As a result of the growing supply-demand imbalance, housing advocacy groups began recommending that builders supply a percentage of all units in new residential developments at prices that would be affordable to low and moderate-income households. Local legislation was introduced by the County Council, similar to South Kingstown’s Town Council, that proposed an innovative inclusionary zoning and density allowance policy that came to be known as the “Moderately Priced Dwelling Unit” (MPDU) Program. The law went into effect in 1974 but it remains a model for IZ programs nationwide.

The law, as with most IZ programs, requires that between 12.5 and 15 percent of the total number of units in every subdivision (townhomes or single family) or apartment or condo building of 20 or more units be “moderately priced.” Moderately priced is defined as affordable by families who make no more than 60-70% of the area median income (depending on the neighborhood).

The zoning ordinance allows a density increase (often called a “bonus”) of up to 22 percent above the normal density permitted under the zoning rules. The ordinance also allows some attached housing in single-family zoning classifications so that optimum development can be achieved and less expensive housing can be constructed. The density bonus, in effect, creates free lots upon which the MPDUs are constructed. After construction, moderately priced units must be owner-occupied throughout the applicable control period, and when the owner sells the unit for the first time after the control period ends, it may be sold at a market price. Any "excess" profit obtained through the sale is split between the County and the owner.

To ensure the units remain affordable, there are rules in the law regarding resale and occupancy. Because of changes in the law over time, this controls period varies according to when the unit was initially sold. For this reason, the control period ranges from 10-30 years. The price for which the unit can be resold is controlled during this period, and the unit must be resold through the MPDU program office to another MPDU qualified applicant.

Perhaps most importantly for the SKHA, one key component of the inclusionary zoning program is the “right of first refusal” component of the law. Part of the inclusionary zoning law in Montgomery County is that when the moderately priced units are constructed/created, the County and the County’s Housing Authority has the right of first refusal to purchase any MPDU put up for sale. If the County and Housing Authority do not purchase the unit, it then must be offered to local nonprofits who run low income or other housing subsidy programs. As a result of the right of first refusal policy, almost all units that are sold during the control period are purchased by the County or HOC and they are used for public housing or section 8 voucher holders.

Because of the high demand for the MPDUs, the County conducts lotteries to select potential purchasers of the units in each offering. MPDU units purchased by the Housing authority are rented to households with low or very low incomes. Depending on the financing sources used by the Housing Authority to purchase the units, tenant incomes range from below \$10,000 to \$36,150 (Montgomery County MPDU).

Due to the number of properties bought by the county for use in public housing, almost all neighborhoods and buildings built after the inclusionary zoning law was passed now have a

mix of upper, middle, low, and very low income residents. More detail on the Montgomery County program is available on the county's [website](#).

IIIId. [Workforce Housing](#) Programs

The term “workforce housing” is most often used to describe programs that facilitate homeownership or rental by households that earn too much to qualify for traditional affordable housing subsidies. However, programs range in terms of what income group they target and to what extent they require residency (Ford and Schuetz 2019). Workforce housing program aim to address the difference between the incomes of necessary low and middle income workers in a location, such as teachers, police, firefighters, janitors, and other city or private employees and the cost of living in a jurisdiction. Many of these programs require the recipients of the housing to be employed within the jurisdiction, at least at the time of initial sale/agreement.

The stated goals of Montgomery County’s workforce housing program are to: “Promote the construction of housing that will be affordable to households with incomes at or below 120% of the area-wide median; Allow households with incomes at or below 120% of the area-wide median income to have greater housing choices in the County; Increase the availability of housing in the County for public employees and other workers whose income cannot support the high cost of housing that is located close to their workplace; Assist County employers in reducing critical labor shortages of skilled and semi-skilled workers by providing housing that will be accessible to the worker’s workplaces; and Reduce traffic congestion by shortening commute distances for employees who work in the County but who otherwise would live elsewhere.”

Cities and local governments who have invested in workforce housing have seen economic benefits as a result. When households can attain affordable housing, they can see an increase of up to 57 percent of their income being freed up (Virginia, 2014). With less of the household income being spent on housing, more money is spent in other forms in the local economy. Research performed by the University of Maryland’s School of public policy on the Montgomery County program finds that providing “workforce housing” results in real economic benefits throughout the jurisdiction (Crystal 2018).

Montgomery County's current Workforce Housing Program is generally used when the county sells land for residential development. In the Request for Proposal (RFP), the county will set a desired standard for what percent of the total units will be for households making below an affordability threshold. Unlike the county's MPDU Program, the Workforce Housing Program is not a law that effects widespread development projects in the county and, as a result, has developed many fewer housing units.

Figure 4 Workforce Housing Income Limits as of April 19, 2022.

Household Size	Maximum Income
1	\$119,500
2	\$136,500
3	\$153,500
4	\$171,000
5	\$184,500

Homes that are purchased through the WFH program have controls designed to keep the homes affordable. New and resale homes have a 20-year Control Period, except under certain conditions. If/when the property is sold after the 20-year Control Period, the owner pays half of the excess proceeds to the County's Housing Initiative Fund. The current income limits applied to workforce housing is available in Figure 4.

While Montgomery County's and other jurisdiction's WFH programs have been criticized for helping mainly middle income families who do not need help in well-functioning housing markets (Ford and Schuetz 2019), these programs can be helpful in one sense. For one, they are more politically feasible than programs that are called "public housing" even if the subsidies are the same. For example, several studies have found that changing what a housing development is called can drastically increase political support (for example, changing from "affordable housing" to "life cycle housing" or "public housing" to "workforce housing") (Goetz 2008). A new investment in affordable or public housing programs that requires someone in the household work in the jurisdiction may increase political feasibility for the program and help break stereotypes of public housing residents as unemployed.

However, there are also benefits to having a variety of incomes represented in an neighborhood. Neighborhoods that are highly unequal (e.g. many very high income homes, and then some very low income apartments) are more likely to experience heightened political conflict over resource distribution, services, and other zero-sum policies than neighborhoods with residents across the income distribution. As a result, if South Kingstown's housing is beginning to skyrocket, an investment in workforce housing that targets both middle- and low-income workers in the jurisdiction could help maintain income diversity to the area.

Conclusion

Solving the housing needs of low-income families, seniors, and workers is not easy. Many of the “quick fixes” proposed overtime such as vouchers and scattered site housing, have not had the impact that reformers had hoped for. Instead, each solution comes with another trade-off. Project-based housing programs are criticized for being poorly managed, having high concentrations of poverty, and giving residents few choices for where they live. But they increase the ability of Housing Authorities to offer wrap around services, build community among residents, and allow residents the opportunity to participate in the governance of their buildings. Vouchers are very popular, allow for maximum agency and choice by housing subsidy recipients but are often not able to be used due constraints outside the hands of the voucher recipient such as to the behavior and willingness of landlords to participate and the tightness of the housing market. In the end, each decision must be weighed based on what will provide the maximum benefit to those who are eligible and what will produce the most housing given the long wait lists and great need for subsidized housing.

It is important to note that the survey conducted as part of this project of current SKHA residents found that the majority of residents were satisfied with the location of their development (65%). When presented with the option to choose how they would prefer to access public housing 30% chose public housing developments as their first choice, 45% chose a voucher as their first choice, and 24% chose a SKHA managed unit in a private apartment building. Importantly, of those who chose a voucher the second most common choice was public housing developments like the one they were living in. This suggests that there is no one type of access the residents prefer over another and a variety of options works best to meet people's

needs. However, it is also important to note that what people want first and foremost is subsidized, stable, quality housing. Given the higher rates of eviction among voucher holders and the high rate of voucher holders who are unable to actually use them, people's preferences may change if they fully understood the constraints in the choice-housing market.

If the SKHA decides to build more project-based developments, there are best practices to employ to help negate the mistakes of the past and make project-based housing high quality and community building housing options. Employing shared governance models can help build trust and ensure two-sided investment in the property if done well. Most importantly, a management style that views tenants as partners, is critical.

To improve the amount of housing available to low-income residents, local governments and the state have regulatory and programmatic options that are being employed in other jurisdictions and would work well for South Kingstown and Rhode Island more generally. Instituting a right-of-first-refusal law that would allow Housing Authorities and nonprofits to purchase properties before they go to the general public and private investors or to match a private offer, would likely greatly expand the amount of housing stock available for low-income housing.

Inclusionary zoning would also increase the amount of housing available, particularly if it included a regulation requiring building units available to housing authorities to purchase. Both of these would be particularly good options if the Housing Authority determines that a scattered site housing approach is the best option for its residents or for gaining a larger number of units to serve more people.

Finally, the Housing Authority and the local governments may want to consider how they brand these new programs and developments. Workforce housing, lifecycle housing, and other terms to describe subsidized housing that have restrictions on who is eligible and that stand to break stereotypes may facilitate getting over political barriers and increasing public support.

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