

Housing Assistance Programs Provide Limited Access to Higher-Performing Schools

Residents in Low Income Housing Tax Credit properties on average live near to slightly better performing schools than Housing Choice Voucher holders, Project-Based Section 8 or public housing residents.

by INGRID GOULD ELLEN, AMY SCHWARTZ,
AND KEREN MERTENS HORN

APRIL 2014

Breaking the cycle of poverty often starts in the classroom. Moving to a neighborhood with a good school is the goal of nearly every parent because parents know that a good education is a cornerstone to a more secure life. For low-income families, making such a move is harder than for others. Good schools tend to be in “good” neighborhoods, and those good neighborhoods charge higher housing prices and higher rents.

Providing housing subsidies for low-income families is one way to allow them to move to better neighborhoods with better schools. However, as this brief reports, the largest housing subsidy program—the Housing Choice Voucher program—has not been effective in getting families to neighborhoods with better schools.¹ The Low-Income Housing Tax Credit (LIHTC) is slightly more effective, but it is still less successful than desirable.

Study Design

To determine whether the housing programs help low-income families move nearer better schools, the analysis compared elementary schools in census tracts in 329 metro areas across four groups:

KEY FINDINGS

- Housing Choice Voucher holders on average live near lower-performing schools than those living in housing developed with the Low Income Housing Tax Credit.
- One-third of public housing families live near schools that are ranked in the bottom 10th for their state.
- One-fourth of Housing Choice Voucher holders live near schools that are ranked in the bottom 10th for their state.
- One-fourth of LIHTC homes live near elementary school with test scores in the bottom 10th in the state.
- LIHTC homes were distributed more widely across all types of neighborhoods. Larger shares of LIHTC homes were near schools in the 40th, 50th, and 60th rankings for their state.
- Although the LIHTC program performed better, it also serves slightly better off families.

- Families with housing subsidies,
- The larger population of households with children,
- Renter households with children, and
- Poor households with children.

School characteristics were based on the state ranking by student test scores in 2008-2009 and the share of the student body that was eligible for free or reduced-price meals (a proxy for high-poverty schools). A low-poverty school had fewer than 20 percent of students receiving such meals, while a high-poverty school had more than 80 percent receiving discounted meals.

Public Housing and Housing Choice Voucher Families Are Most Likely to Live Near Poorer Performing Schools

Families receiving housing assistance generally live near an elementary school that ranks quite low in their state. About one-third of public housing residents and about one-fourth of Housing Choice Voucher holders live near schools that are ranked in the bottom tenth for their state on test scores. The results ranged considerably by area of the country, however. Those living in smaller cities in the South and West with less segregation tended to locate near better schools.

Living near high-poverty schools is also quite common among voucher holders and those in public housing. More than half (53.5 percent) of those in public housing and 41 percent receiving Housing Choice Vouchers lived in a neighborhood with a school where more than eight in ten students were eligible for free or reduced price lunch. This share is similar to the proportion of poor families generally (40.6 percent) who lived near a school with more than eight in ten students eligible for free or reduced price lunch.

Families in LIHTC and Project-Based Section 8 Developments Fare Slightly Better

Among the four housing subsidies, the LIHTC performed the best in locating families near higher performing schools. However, approximately one-fourth of LIHTC homes were in a neighborhood whose nearest elementary school had test scores in the bottom tenth in the state, similar to Housing Choice Voucher holders (see Table 1).

LIHTC homes were less likely than Housing Choice Voucher holders to be near a high-poverty school. LIHTC homes were also more widely distributed across all types of neighborhoods. Although public housing and voucher holders tended to cluster in neighborhoods with the lowest performing schools, LIHTC homes were more often near schools in the 40–60th rankings, for example.

Families living in housing developed through the project-based Section 8 program reached similar schools on average to families in LIHTC housing.

Why Are Housing Subsidy Programs Less Successful in Bringing Residents Closer to Higher Performing Schools?

One reason for these differences between LIHTC homes and Housing Choice Voucher holders is that the latter are responsible for finding their own apartment, and race and stigma may come into play. Subsequent research suggests that the issue is not a lack of affordable homes in neighborhoods with high-performing schools, but information gaps could be preventing voucher families from finding those that exist (see the accompanying brief in this series, “Housing Choice Voucher Holders Are Not Reaching Higher-Performing Schools.”)

Although the LIHTC program performed better, it serves families with slightly higher incomes. A 2013 study found that just over 40 percent of LIHTC units serve extremely low-income households, while 75 percent of Housing Choice Voucher holders are extremely low income.² This “wobble room” in household budgets among LIHTC families might allow them to more readily move nearer better schools.

Still, when compared with all renter households in the study, the LIHTC program underperforms in getting families closer to better-quality, low-poverty schools. This may be because of constraints that developers using LIHTC funding face in getting projects financed and approved in communities with better schools.

Table 1. Median Characteristics of Schools Near Families, by Subsidy Type

	Proficiency Rank (percentile) on Math and English Test Scores (median)	Percent Receiving Free/Reduced Price Lunch
Housing Choice vouchers	26	74.1
Public Housing	19	82.1
Project Based Section 8	28	68.6
LIHTC	31	67.1
All poor households*	30	73.1
All renters	37	66.8
All households	53	45.9

* poor = households with incomes below the federal poverty line.

Policy Implications

It is troubling that so many low-income families receiving housing subsidies end up living in a neighborhood with a poor-performing school. Although some may opt to stay in their familiar neighborhood, others may want to move but face additional constraints. They may lack information about housing, for example, or zoning or other restrictions may limit the supply of affordable, rental housing in suburban jurisdictions with better-performing schools. Also, landlords in low-poverty neighborhoods often with better performing schools may resist participating in the Housing Choice Voucher program.

The U.S. Department of Housing and Urban Development (HUD) has been experimenting with several initiatives to expand mobility for voucher holders who may be facing such constraints. HUD financed the pilot program of the Regional Housing Initiative in the Chicago metropolitan region. The program creates incentives for high-quality developers to build affordable rental units near employment hubs in the suburbs. These suburban employment hubs are also often near higher-performing schools. The Initiative is a partnership of seven housing authorities, which to date have agreed to make project-based subsidies available for up to 355 rental housing units in developments throughout the metropolitan region.³

HUD has also proposed reforms that create incentives for the public housing authorities to make moving between public housing developments easier for voucher holders. In addition, reforms to provide pre- and post-move counseling to help voucher holders find housing in “high-opportunity” areas could help residents gain access to better-quality schools. HUD has also initiated a Small Area Fair Market Rent Demonstration designed to give voucher holders improved housing options in every ZIP code within a metropolitan area. The agency might expand this demonstration to other metropolitan areas in which voucher holders are highly concentrated in high-poverty areas. HUD has also recently partnered with Great Schools to provide public housing authorities and parents with information about local educational options, which can be shared with voucher holders.

Finally, states could do more to check the regulatory restrictions that local governments place on multifamily housing and revise their Qualified Allocation Plans, which govern the allocation of Low Income Housing Tax Credits (LIHTC), to encourage the creation of LIHTC housing in neighborhoods near good schools. HUD might also use its grant programs to create incentives for local governments to remove exclusionary barriers. ■

Endnotes

1. The full study is available as, Ingrid Gould Ellen, Amy Schwartz, and Karen Horn, “Do Federally Assisted Households Have Access to High-Performing Public Schools?” (Boston: Furman Center, 2013), available at <http://furmancenter.org/files/publications/PRRACHousingLocationSchools.pdf>
2. Katherine O’Regan and Keren Horn, “What Can We Learn About the Low Income Housing Tax Credit Program by Looking at the Tenants?” *Housing Policy Debate*, 2013, 23(3): 597-613.
3. For more information on the Regional Housing Initiative visit <http://www.metroplanning.org/work/project/13/subpage/1>

Ingrid Gould Ellen is the Paulette Goddard Professor of Urban Policy and Planning at New York University’s Robert F. Wagner Graduate School of Public Service, and faculty director of the Furman Center for Real Estate and Urban Policy. *Amy Ellen Schwartz* is professor of public policy, education, and economics, and director of the New York University’s Institute for Education and Social Policy. *Keren Mertens Horn* is assistant professor of economics at the University of Massachusetts, Boston. The authors gratefully acknowledge *Barbara Ray* of Hired Pen, Inc. for assisting the authors in drafting this brief.

ABOUT THE HOW HOUSING MATTERS TO FAMILIES AND COMMUNITIES RESEARCH INITIATIVE

This brief summarizes research funded by the John D. and Catherine T. MacArthur Foundation as part of its How Housing Matters to Families and Communities Research Initiative. The initiative seeks to explore whether, and if so how, having a decent, stable, affordable home leads to strong families and vibrant communities. By illuminating the ways in which housing matters and highlighting innovative practices in the field, the Foundation hopes to encourage collaboration among leaders and policymakers in housing, education, health, and economic development to help families lead healthy, successful lives. The views expressed herein are not necessarily those of the MacArthur Foundation.

MacArthur Foundation

The MacArthur Foundation supports creative people and effective institutions committed to building a more just, verdant, and peaceful world. In addition to selecting the MacArthur Fellows, the Foundation works to defend human rights, advance global conservation and security, make cities better places, and understand how technology is affecting children and society.

For more information or to sign-up for news and event updates, please visit www.macfound.org.

John D. and Catherine T. MacArthur Foundation
140 South Dearborn St., Suite 1200
Chicago, Illinois 60603-5285
Telephone: (312) 726-8000

 www.macfound.org

 twitter.com/macfound

 youtube.com/macfound