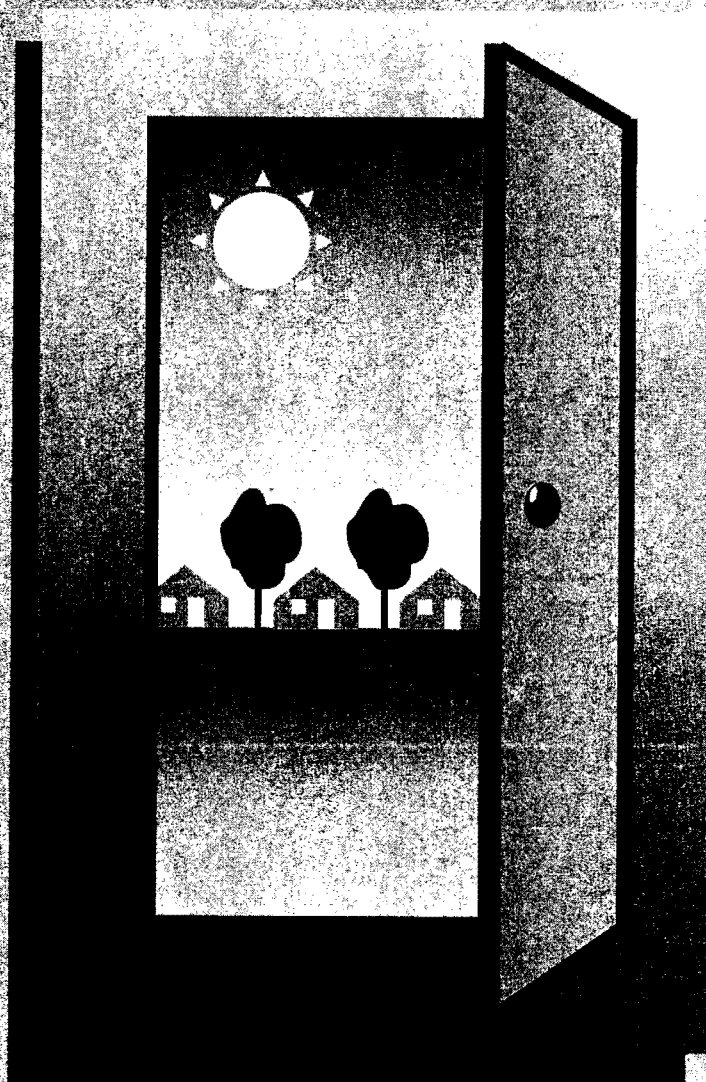


Expanding Housing Choices for HUD-Assisted Families



Moving to

OPPORTUNITY

EXPANDING HOUSING CHOICES FOR HUD-ASSISTED FAMILIES:

First Biennial Report to Congress

Moving to Opportunity for Fair Housing Demonstration

**U.S. Department of Housing and Urban Development
Office of Policy Development and Research**

April 1996

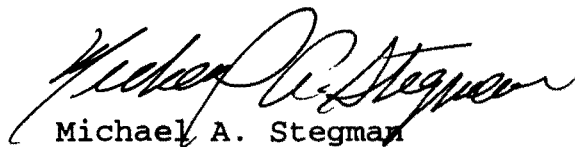
FOREWORD

I am pleased to provide the first in a series of biennial reports to Congress on the status of the Moving to Opportunity (MTO) demonstration. MTO was authorized by Section 152 of the 1992 Housing and Community Development Act. The Department of Housing and Urban Development has implemented a carefully controlled experimental design for this demonstration in order to evaluate the impacts of helping low-income families move from public and assisted housing in high-poverty inner-city neighborhoods to better housing, education, and employment opportunities in low-poverty communities throughout a metropolitan area.

Two years into the MTO demonstration, the five sites have all made substantial progress in implementing the MTO demonstration, and are expected to reach their placement targets by the end of 1996. This success has been achieved through the close working relationships forged by public housing authorities and non-profit housing counseling agencies in Baltimore, Boston, Chicago, New York, and Los Angeles.

The Office of Policy Development and Research is committed to monitoring and evaluating the MTO demonstration over the long-term. Social, employment, and educational outcomes for demonstration participants will be systematically monitored and evaluated over a ten-year period, in order to definitively assess the impacts of housing mobility assistance. In addition, we have funded six university research teams to immediately examine changes in the lives of parents and children as they move to low-poverty communities. This ongoing research and information gathering will enable HUD to develop more sensible and effective mobility strategies for recipients of tenant-based housing assistance in metropolitan areas throughout the nation.

Expanding access for low-income families to housing opportunities throughout the metropolis is a priority for federal housing policy under the leadership of Secretary Henry G. Cisneros. The Moving to Opportunity demonstration is just one of several federal initiatives designed to ensure that poor people are not trapped and isolated in predominantly poor neighborhoods. Over the next ten years, this investment will yield a continuous stream of valuable evidence and insight about housing mobility and its impacts on families' self-sufficiency.



Michael A. Stegman
Assistant Secretary for Policy
Development and Research

EXECUTIVE SUMMARY

Inspired by the Gautreaux housing mobility program in Chicago, Moving to Opportunity (MTO) is an experimental demonstration and research project designed to evaluate the impacts of helping low-income families move from public and assisted housing in high-poverty inner-city neighborhoods to better housing, education, and employment opportunities in low-poverty communities throughout a metropolitan area. This is the first in a series of biennial reports to Congress on the status of the MTO demonstration.

The Moving to Opportunity demonstration was authorized by Section 152 of the 1992 Housing and Community Development Act. Section 152 provides tenant-based rental assistance and supportive counseling services to test and evaluate the effectiveness of metropolitan area-wide efforts to:

"assist very low-income families with children who reside in public housing or housing receiving project-based assistance under Section 8 of the Housing and Community Development Act of 1937 to move out of areas with high concentrations of persons living in poverty to areas with low concentrations of such persons."

Section 8 rental assistance for the MTO demonstration was appropriated at \$20 million for Fiscal Year 1992 and \$50 million for Fiscal Year 1993. In addition, up to \$1 million was allocated to non-profit counseling agencies to provide partial support for their housing search and mobility counseling efforts. These funds are assisting approximately 1,300 low-income families at five HUD-selected demonstration sites -- Baltimore, Boston, Chicago, Los Angeles, and New York.

HUD has implemented a carefully controlled experimental design for MTO in order to definitively answer questions about the immediate effectiveness of mobility counseling, and about the long-term impacts for families who move to low-poverty communities. Eligible participants in the demonstration are randomly assigned to three groups: 1) an MTO experimental group, which receives Section 8 certificates or vouchers usable only in tracts with less than 10 percent poverty, along with counseling assistance in finding a unit; 2) a Section 8 comparison group, which receives regular Section 8 certificates or vouchers, with no special geographical restrictions or counseling; and 3) an in-place control group, which continues to receive their current project-based assistance. This random-assignment experimental design is essential to achieve the statutory goals of MTO. Outcomes for all three groups will be systematically monitored and evaluated over a ten-year period, in order to fully assess the impacts of housing mobility assistance on families and children.

II. IMPLEMENTATION OF THE MOVING TO OPPORTUNITY DEMONSTRATION

In accordance with Section 152, HUD issued a Notice of Funding Availability (NOFA) in August 1993 for the competitive selection of cities for participation in MTO. PHAs from sixteen cities responded to this NOFA (Appendix A lists the eligible cities and those that applied for MTO). Secretary Cisneros reviewed and approved the selection of five MTO sites on March 17, 1994.⁷ The selected demonstration sites are Baltimore, Boston, Chicago, Los Angeles, and New York City.

In late May of 1994, a three-day, HUD-sponsored training conference brought the newly selected MTO agency staff together in Washington, D.C. to learn the operating rules of the demonstration. Site operations began in Baltimore just a month later, and by the end of February 1995 all five MTO sites were operational. To assist in the implementation of the MTO demonstration, HUD's Office of Policy Development and Research (PD&R) entered into a contractual arrangement with Abt Associates, a nationally recognized research, evaluation, and technical assistance firm. Abt provides technical assistance to all the demonstration sites to ensure accurate and consistent program operations, including random assignment, data collection, and long-term tracking.

Each MTO site began its operations with outreach activities, identifying and notifying eligible families in the public and assisted housing developments targeted for the demonstration. Following meetings with residents, the PHAs received and processed applications from families who expressed an interest in participating in MTO. Each PHA created an MTO waiting list of eligible families and then began to call families from the list to come in for enrollment briefings.

As part of the enrollment process, and in order to address the long-term evaluation issues raised by Congress, a baseline survey is administered to all families who enter the MTO demonstration program. Participating families also sign a consent form indicating their willingness to cooperate with the ongoing data collection and evaluation. The baseline survey collects information on each family's employment status, income, education, and neighborhood conditions.

Once the enrollment process is completed and families are determined eligible for MTO, each site randomly assigns families to one of the three demonstration sub-groups using specially prepared computer software installed at each PHA. Families selected for the control group receive no Section 8 rental assistance but retain their current project-based assistance. The Section 8 comparison group receives the standard, geographically unrestricted Section 8 certificate or voucher and the standard briefing and search assistance provided by the PHA.

Families assigned to the MTO experimental group are sent to the non-profit counseling agency at their site for more intensive support and assistance.

These non-profit organizations perform, at a minimum, four essential functions. First, they assist the local PHA in the selection and assignment of experimental families who will move to low-poverty areas. Second, they recruit owners of rental property in low-poverty areas to make units available to MTO families. Third, the non-profits assist MTO families in finding appropriate rental units in low-poverty areas. And finally, they provide short-term counseling assistance to help families adjust to their new housing locations.

Recruiting owners and managers of rental properties in low-poverty areas is one of the most critical tasks performed by the non-profit organizations in MTO. Landlord outreach and recruitment are conducted in person, by telephone, in writing, at meetings of landlord associations, and using special brochures. Recruitment of landlords is an ongoing process used to identify housing units that families in the MTO experimental group might wish to rent in low-poverty communities.

After an MTO family has been certified as eligible for participation in the demonstration, and has received a Section 8 rental certificate or voucher, the non-profit helps the family find a suitable unit in a low-poverty area. At group briefings for families assigned to the MTO experimental group, the non-profits inform families about their responsibilities as private market tenants and about the responsibilities and expectations of private landlords. They describe the advantages and disadvantages of specific low-poverty communities throughout the metropolitan area, provide maps showing low-poverty neighborhoods, and teach effective housing search strategies.

To maximize MTO families' chances of success in searching for housing, the non-profits also conduct credit checks. Because most rental property owners in low-poverty tracts require credit checks, it makes sense to identify credit problems ahead of time, and suggest ways in which families can correct credit problems before applying for a rental unit. Landlords often accept the credit checks performed in advance by the non-profits, thereby saving MTO families time and sometimes money.

In addition, staff of the non-profit organizations visit MTO families in their homes to observe first-hand the condition of their current units, and to provide individual counseling on relocation to a low-poverty area, tailored to the needs of the individual family. In the process of individual counseling, the non-profit staff usually informs families about public transportation routes, public school systems, higher education and training opportunities for parents, hospital and public

health clinic locations, major industrial and retail employment facilities, and other potential job opportunities.

The MTO non-profits teach demonstration participants how to look for housing independently, but also provide more active assistance in the housing search, depending on the families' needs and the success of landlord recruitment efforts. A non-profit may show a small number of units in low-poverty tracts to groups of MTO families, or accompany individual families to units that seem well-matched to their needs and objectives. In transporting families to see specific units, staff of the non-profits typically point out relevant community features and facilities, and introduce the family to landlords. The non-profits also assist MTO families in leasing-up units and moving into the low-poverty neighborhoods.

Following the move, the non-profits are required to contact MTO families within 90 days and offer any additional counseling or referrals they may need to make a successful adjustment to the new environment. And MTO families are assured of the ongoing availability of a supportive services counselor to help them if problems relating to their move should arise. Non-profit staff also contact the owner or manager of the family's new unit, notifying him or her of the availability of a supportive services counselor to help with any problems that may arise in the family's adjustment to the new environment.

At each step in the MTO demonstration process, PHAs and non-profits are required to keep systematic records to document how they implement the demonstration and whom they assist. Standard forms for data collection have been developed and agency personnel have been trained in their use so that the information will be comparable across the sites. Program-level forms record information about landlord outreach, participant progress, and the costs of MTO operations. Participant-level forms record information about the families at the time they enroll in MTO and about the counseling contacts between the non-profit staff and the MTO experimental group families.

Over the next eight to ten years, HUD will assess the impacts of the MTO demonstration by comparing the experiences of families randomly assigned to the three treatment groups. Record-keeping and data collection forms will enable policy researchers to measure and analyze long-term changes in the lives of MTO families, including their social well-being, employment, education, and housing and neighborhood conditions.⁸

The pace of MTO implementation has varied significantly across the five demonstration sites. Exhibit 1 presents the number of families placed in the MTO experimental group and the Section 8 comparison group, as of February 28, 1996. Altogether, almost half (47.9 percent) of the MTO experimental families and over one

Exhibit 1:
Current Status of the MTO Demonstration
Varies Across Sites
(as of 2/28/96)

SITE	MTO Experimental Group		Section 8 Comparison Group	
	Target	Placed	Target	Placed
Baltimore	143	98	142	68
Boston	143	99	142	44
Chicago	143	18	142	33
Los Angeles	94	63	94	32
New York	143	41	142	14
TOTAL	666	319	662	191

fourth (28.9 percent) of the comparison group families had been placed at that time. All five sites are expected to reach their placement targets by the end of 1996. Section IV of this report provides more detail about the progress of implementation at each demonstration site.

III. MOVING TO OPPORTUNITY DEMONSTRATION APPLICANTS

The MTO demonstration provides an opportunity for residents of public and assisted housing projects to move to better neighborhoods. What types of families pursue such an opportunity? What motivates them to leave the subsidized projects in which they live? The average MTO applicant is an African American or Hispanic woman, 37 years old, with two children (see Exhibit 2). Almost one in five MTO families have some employment income, and two thirds receive Aid to Families with Dependent Children (AFDC).

Exhibit 2:
Most MTO Applicants are Minority Women with Children

	MTO Applicants (N = 718)
Racial Composition	
African American	72.0%
Hispanic	21.2%
Asian	1.1%
Non-Hispanic White	3.5%
Other	2.2%
Household Composition	
Female-Headed	94.6%
Median Family Size	3
Mean Age of Head	37
Sources of Income	
Employed	18.6%
Receiving AFDC	67.1%

MTO applicants may be slightly older and appear somewhat more likely to be working than other families in the projects where they live, based on comparisons of Baltimore MTO applicants to other MTO-eligible residents of their projects. Preliminary data show that almost one in four MTO applicants in Baltimore was working, compared to only 13 percent of non-applicants. However, statistical analysis of these differences suggests that they are very weak predictors of who will choose to participate in MTO.⁹

Although MTO applicants are very much like their neighbors in terms of demographic and socio-economic attributes, they do appear to differ in one important respect -- fear of crime. Baseline survey data indicate that crime victimization rates among MTO applicants are dramatically higher than among public housing residents generally. Nearly half of MTO applicants (47.8 percent) said that they had been a victim of crime within the last six months.¹⁰ In contrast, a recent HUD survey found that only 5.4 percent of residents in the largest PHAs¹¹ reported being crime victims in the last six months.¹² In New York City, only 5.9 percent of all public housing residents interviewed reported being crime victims in the last six months, compared to 47.7 percent of MTO applicants.

MTO Applicants' Fear Crime, Drugs, and Gangs

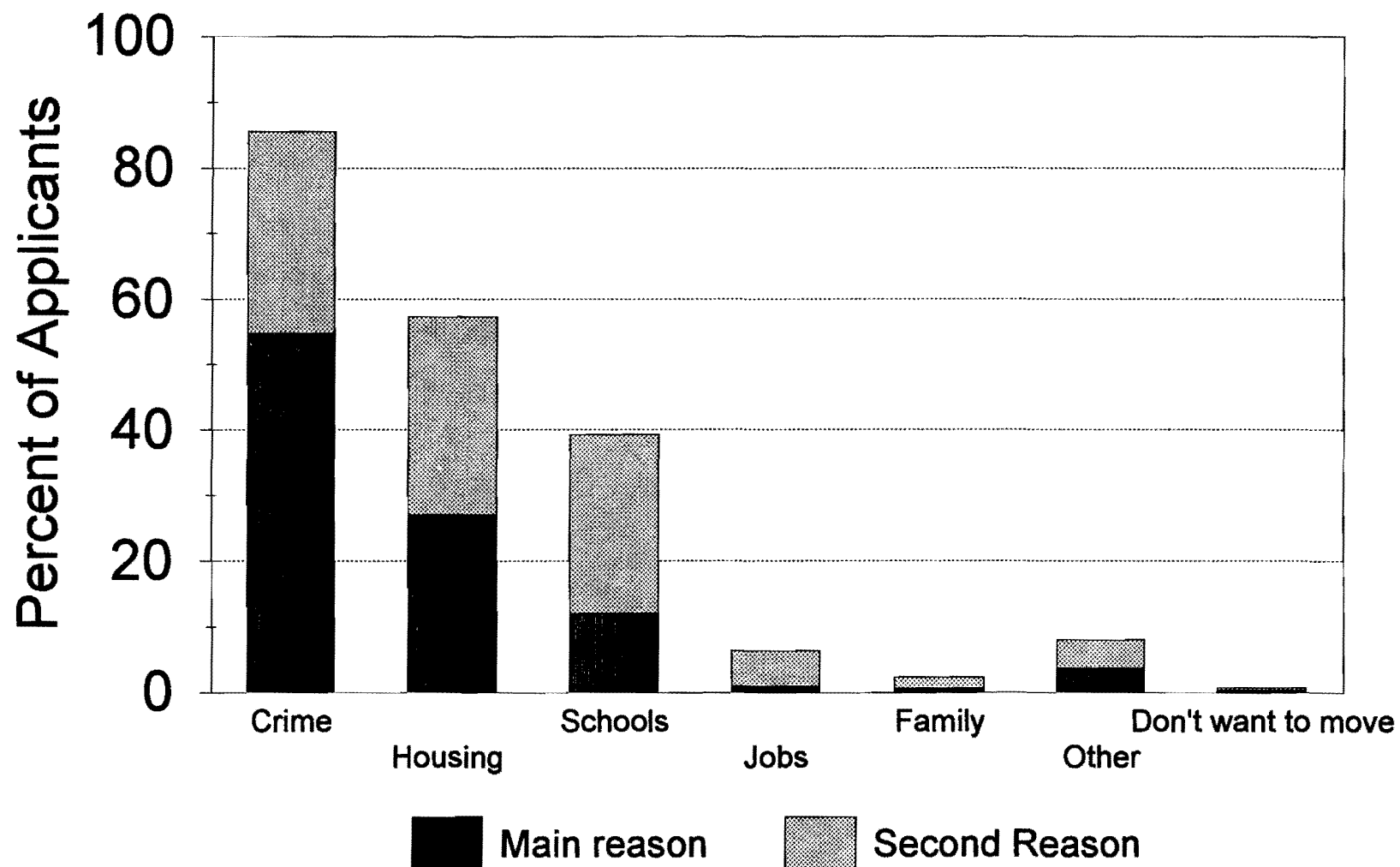
A Vietnamese-American mother of three young children in Los Angeles said that she was "desperate" to get out of public housing because of crime and drugs. A stray bullet shattered her window one night, and as she explained, "Our children are not safe at any time in the projects."

A child from a New York MTO family came home from school recently with a bullet-hole in her backpack; she had not even been aware of the shooting that left a bullet inches from her body. Her school books fortunately protected her from harm.

The fear of crime, and more significantly the experience of crime, appears to be a major factor in families' decisions to participate in the MTO demonstration. When asked why they wanted to move away from the projects in which they live, the vast majority of MTO applicants cited the fear of crime, gangs, and drugs. Exhibit 3 summarizes families' primary and secondary reasons for applying to participate in the MTO demonstration. More than half (54.8 percent) listed crime as their primary reason, and another 30.8 percent listed it as their secondary reason.

Better housing conditions and better schools are also important reasons why families choose to participate in the MTO demonstration. More than half of the applicants (57.3 percent) said that moving to a better house or apartment was either their first or second reason for applying, and 39.3 percent said that they wanted better schools for their children. Only 6.5 percent of MTO applicants said that a job-related concern was their primary or secondary reason for moving. Thus, the forces "pushing" families out of inner-city projects appear to be at least as important as the incentives "pulling" them toward low-poverty neighborhoods.

Fear of Crime is the Main Reason Families Apply to MTO



IV. MOVING TO OPPORTUNITY DEMONSTRATION SITES

The five sites have all made substantial progress in implementing the MTO demonstration. Although the initial start-up process took more time in some cities than originally anticipated, all five of the MTO non-profits are now successfully placing families in low-poverty neighborhoods. Exhibit 4 summarizes preliminary data on MTO placement rates and non-profit costs for the five demonstration sites.

MTO non-profits are consistently achieving placement rates that are as high or significantly higher than the 25 percent average success rates typical of the Gautreaux demonstration.¹³ Preliminary data suggest that providing intensive counseling and search assistance to public and assisted housing families costs between \$1,300 and \$1,700 for every family assigned to the MTO experimental group. But because not all of these families are successful in finding housing in low-poverty neighborhoods, the cost per household moving to a low-poverty neighborhood is higher, averaging between \$2,100 and \$2,900. However, the cost data presented here should be regarded as preliminary and subject to revision. At the time these data were collected, only two of the five sites (Baltimore and Boston) had reached a "stable" point in their operations. As a result, expenditure patterns may be dominated by one-time start-up and enrollment costs, including program design, family enrollment, and initial landlord outreach activities. More reliable and comparable cost data will be available when all five sites have completed their MTO placements. The remainder of this section provides more information on each site's progress (Appendix B summarizes key data for all five sites).

BALTIMORE

The Housing Authority of Baltimore City (HABC) administers the Baltimore MTO demonstration in cooperation with the Community Assistance Network (CAN), a Baltimore County non-profit. HABC currently administers 18,000 public housing units and more than 6,400 certificates and vouchers in its regular Section 8 program. CAN is a private, non-profit community action agency with over 30 years of experience providing assistance to low-income people, including day care, housing counseling, weatherization, and self-sufficiency counseling. With HABC's approval, CAN's offices for MTO are housed in the same building as HABC's Section 8 offices.

Five census tracts, with an average poverty rate of over 67 percent, were targeted for Baltimore's MTO program. These five tracts contained a total of eight public housing projects (four low-rise and four high-rise family projects), which were home to a total of 3,807 households. Residents had an average household income of only \$6,880, and 46 percent received public assistance.

Exhibit 4:
MTO Sites are Achieving Relatively High Success Rates
at Modest Costs per Family

SITE	MTO Families Placed	MTO Success Rate	Average MTO Cost	
			per family counseled	per family placed
Baltimore	98	60%	\$1,665	\$2,844
Boston	99	55%	\$1,569	\$2,816
Chicago	18	N/A	N/A	N/A
Los Angeles	63	62%	\$1,308	\$2,111
New York	41	25%	\$ 590	\$2,501

Note: These data are preliminary and subject to revision. Chicago's MTO program is at such an early stage that meaningful cost data cannot be reported.

Virtually all of the project residents were African-American (99.6 percent), and 84 percent were female-headed.¹⁴

As soon as the Baltimore MTO demonstration began operation, the HABC conducted an outreach effort by notifying resident associations and public housing managers of the targeted developments, as well as sending 2,300 letters to potentially eligible families. At the same time, CAN began landlord outreach. CAN and HABC also initiated efforts to coordinate with the six other PHAs operating in the suburban counties of the metropolitan area, in anticipation of serving families who would consider moving outside the city.

CAN's staff provides intensive counseling for roughly 30 to 40 experimental group families per month. In the first 60 days after assignment to the experimental group, before housing search is initiated, Baltimore MTO families must attend seven training workshops. In addition, housing counselors spend considerable time providing individual assistance to each family. For example, CAN counselors average over 10 housing search trips per family, although MTO requires only three. CAN drives small groups of MTO families to outlying communities in a van, so that they can see areas where they might consider moving. Families who have leased-up in low-poverty communities participate in orientation classes for new MTO participants, and tell them about their experiences with the program.

Opposition from community organizations and elected officials in one portion of the Baltimore suburbs delayed the early implementation of MTO in Baltimore. Efforts to allay community concerns required extensive outreach, and resulted in decisions to intensify CAN's screening and counseling services and to ensure that MTO does not create new clusters of poor families.

HABC began to process applications for assignment to CAN in October 1994. By the end of February 1996, 222 families had been randomly assigned to the MTO experimental group and, with CAN's assistance, 98 of these families had found and rented apartments in low-poverty areas throughout the Baltimore metropolitan area. About half of the MTO families moved to low-poverty neighborhoods within the City of Baltimore, with the remainder locating in the surrounding suburbs, including Howard, Ann Arundel, and Harford Counties. The MTO lease-up rate in Baltimore is roughly 60 percent, dramatically higher than the 25 percent lease-up rate experienced in Gautreaux, and relatively close to the lease-up rate of 71 percent for comparison group families. CAN's average operating cost is \$1,665 per family served, or \$2,844 per family leased up.

BOSTON

The Boston Housing Authority (BHA) and the Metropolitan Boston Housing Partnership (MBHP) administer the Boston MTO program. The BHA operates over 14,000 units of public housing and administers 6,300 certificates and vouchers in its regular Section 8 program, with approximately 800 in use outside the city

MTO Families in Baltimore

One Baltimore woman was worried that the illegal activity prevalent in the neighborhood would lure her 15-year-old son into a gang or the drug trade. Using MTO, she moved into a rowhouse in an integrated, middle-class city neighborhood, and reports: "Living here will make a world of difference to me and my children... being in this house has made me happier than I ever thought I'd be."

After placing more than 100 calls to landlords (about one-third of whom would not accept Section 8), another MTO participant moved from East Baltimore to the suburban town of Columbia with her two sons, neither of whom plans on returning to Baltimore. She quickly found a \$7-an-hour job in a Columbia nursing home, and plans to attend Howard Community College in order to get a higher-paying job. "That's what MTO is all about... eventually, the hope is you won't need a voucher or certificate."

of Boston. MBHP is a regional organization which provides housing counseling, search assistance, and landlord outreach for the MTO experimental group families. MBHP has extensive housing program experience, including the Housing Opportunity Pilot Program and a family self-sufficiency program. MBHP also administers almost 3,000 Section 8 certificates and vouchers for the Commonwealth of Massachusetts in 34 cities and towns in the Boston area.

Seven Boston census tracts containing eight public and assisted housing projects were targeted for the MTO demonstration. These tracts had an average poverty rate of nearly 50 percent (49.2), and the targeted projects served a total of 2,578 households with an average income of \$10,230. Almost three quarters (72 percent) of project residents received public assistance. Half the project residents (51 percent) were white, including Hispanics, and 45 percent were African American.

MTO outreach efforts in Boston began in April 1994, with an informational meeting for managers of the targeted housing developments. After a series of family outreach meetings in late June and early July of 1994, BHA received more than a thousand valid applications, and random assignment began in October.

MBHP's role includes providing MTO families with counseling and information to help them find housing in low-poverty areas. The "resource room" MBHP operates for MTO and other families in its programs contains information on schools, jobs, transportation, and services in city and suburban communities throughout the Boston region. MTO families come to the resource room to learn about unfamiliar communities, identify available housing units, and place calls to landlords. MBHP also shows units to families and works directly with landlords to facilitate placements.

MTO lease-ups in Boston began in December 1994, so some families have already lived in their new units for more than a year. A total of 450 families have enrolled in the Boston MTO

MTO Families in Boston

A 52 year-old divorced mother of three was able to gain custody of her two grandchildren, removing them from a potentially abusive environment. The family's new home, in a Boston neighborhood, provides safe and open space for the children to play.

Another MTO participant, a 26 year-old African-American woman with two children, was desperate to move her children out of their violent and drug-infested neighborhood. After relocating to an apartment in the suburb of Framingham, she finished her bachelors degree in Economics and Finance at the University of Massachusetts and found a job.

demonstration; 225 have been assigned to the experimental group, and 99 families have leased apartments in low-poverty areas with MTO assistance. The lease-up rate for experimental group families is 55 percent, while 73 percent of comparison group families have leased up. MBHP's average cost per family assigned is \$1,569; the cost per family leased up is \$2,816.

CHICAGO

The Chicago Housing Authority (CHA) and the Leadership Council for Metropolitan Open Communities administer the Chicago MTO demonstration. CHA is a very large housing authority, administering more than 16,400 Section 8 certificates and vouchers in addition to over 40,000 units of conventional public housing. Due to severe and protracted management problems, HUD took over management of the CHA in the spring of 1995, and the Section 8 program has since been privatized. The private contractor, the Quadel Consulting Corporation, assumed responsibility for the administration of the CHA's tenant-based rental assistance program in December 1995 and now provides all necessary support for the MTO demonstration.

The Leadership Council for Metropolitan Open Communities provides counseling, search assistance, and referrals for MTO experimental group families in Chicago. Although the Leadership Council also administers the Gautreaux program, MTO's main precursor, the two programs are separately staffed and administered. The Leadership Council's primary mission is helping families find affordable housing in low-poverty neighborhoods inside and outside the city, so that they can become self-sufficient members of the community.

The four Chicago census tracts targeted for MTO had an average poverty rate of 67 percent and contained six public and assisted housing developments, which housed a total of 2,197 households. The average income among residents of the six targeted projects was \$7,114, and over 75 percent of residents received some form of public assistance. Virtually all of these households were African American (99.4) and 70 percent were female-headed.

CHA began its initial MTO implementation steps in September 1994. CHA conducted informational meetings with tenant councils and mailed out nearly 3,000 applications to potentially eligible families. CHA also held two follow-up meetings for interested families. Progress was delayed by CHA's management problems, by HUD's takeover of the housing authority, and by the privatization of the Section 8 program, including the need for new staff to be identified and begin correcting CHA's former management problems. Since privatization of Chicago's Section 8 program, MTO is regaining momentum.

A total of 351 families have entered the demonstration program in

Chicago, and 175 have been assigned to the MTO experimental group. Because of delays and problems with the operation of the Chicago Housing Authority only 18 MTO families have been leased-up to date, although more rapid progress is now being achieved.

LOS ANGELES

The Housing Authority of the City of Los Angeles (HACLA) operates the MTO demonstration in cooperation with the Fair Housing Congress of Southern California (FHC) and Beyond Shelter. HACLA administers over 41,000 Section 8

certificates and vouchers, 10,000 of which are special disaster certificates issued after the Northridge earthquake. HACLA operates 21 developments with over 8,700 units of conventional public housing.

The Fair Housing Congress is responsible for conducting landlord outreach and housing searches, preparing families to move, educating families about low-poverty neighborhoods, and providing relocation assistance to help place families into appropriate housing. Beyond Shelter, a non-profit agency which provides housing and supportive services to homeless and at-risk families, is responsible for providing comprehensive social services to help families stabilize in the new communities after they move. Services provided by Beyond Shelter include: budgeting education, family counseling, crisis intervention, liaison with schools, provision of furnishings and household items, and referrals to child care and job training. In short, FHC helps MTO families move, while Beyond Shelter helps them stabilize and achieve greater independence in their new communities. Both organizations participated in HUD's landlord outreach and mobility counseling effort in the aftermath of the Northridge earthquake.

Nine high-poverty census tracts were designated as Los Angeles' MTO target area, containing 11 projects and 3,634 eligible families. The average poverty rate in these tracts was 54 percent. Residents in the targeted projects had an average yearly income of \$9,607, and 61 percent received public assistance. Almost 60 percent of project residents (58.4 percent) were Hispanic and just under 40 percent (38.5 percent)

MTO Families in Chicago

A Chicago mother with three children age 4, 11 and 19 moved from public housing to a new townhouse in January 1996. She and her children are happy there because the children can play outside without the need for constant supervision for fear of crime. The 19 year-old child is mentally handicapped, but has enrolled in carpentering school and will graduate next year. The younger children have adjusted successfully to their local schools.

were African American.

MTO implementation in Los Angeles was initially delayed by the burden of administering the relief effort after the 1994 Northridge earthquake and by the subsequent tight housing market conditions. Therefore, outreach efforts did not begin until October 1994, when HACLA began to hold informational meetings in the targeted high-poverty tracts. HACLA also mailed out information flyers and pre-application forms to all potentially eligible families in the eleven targeted housing projects. HACLA began enrolling MTO families near the end of February 1995. To date, a total of 258 families have entered the MTO demonstration in Los Angeles and 128 families have been assigned to the MTO experimental group. Of these, 63 have leased-up. The overall MTO lease-up rate is 62 percent, compared to a success rate of 83 percent for comparison-group families. In Los Angeles, the non-profit costs per family assigned average \$1,308, or \$2,111 per family leased-up.

NEW YORK CITY

The New York City Housing Authority (NYCHA) is the largest public housing agency in the country, managing more than 156,000 units of public housing. NYCHA also administers the largest Section 8 program in the country, with over 68,000 certificates and vouchers. The non-profit organization implementing MTO in New York, Northern Manhattan Improvement Corporation (NMIC), is a multi-service community-based organization providing services to the Washington Heights-Inwood community in Manhattan. NMIC has experience providing housing search assistance to homeless and formerly homeless families as well as community development and housing-related legal issues.

MTO Families in Los Angeles

One woman who was born and raised in L.A.'s public housing projects had trained herself to sleep through the nightly shootings, fights, and police helicopters. But she lived in constant fear for her 8- and 12-year-old sons, who could not even use the neighborhood playground without encountering drugs and violence. Since moving to a middle-class neighborhood in west L.A., she states that, "the kids can go outside now, and my sons' grades have gotten better...my son misses an assignment and I get a call. I never got anything from the other [inner-city] schools."

While safety was her primary concern, she has been pleasantly surprised with other aspects of her new community, such as the grocery stores. Unlike her old neighborhood, the stores are clean and well-stocked. "Before I came here, I didn't know grocery stores carried half this stuff. I mean, they have one whole aisle just for coffee."

New York's MTO program targeted 14 public and assisted housing projects in 12 census tracts, with an average poverty rate of 47.3 percent. The targeted projects were home to 15,934 households, with an average income of \$11,771 and 32 percent of residents receiving public assistance. Almost half of these project residents were Hispanic (45.2 percent), and 57.5 percent were African American.

NMIC works extensively with each family in the program. In addition to holding workshops on a variety of topics including fair housing, landlord/tenant relations, and finding an apartment in New York city, NMIC facilitates group sessions for families who have moved and for those who are actively looking. NMIC also works closely with each individual family on a variety of social and economic issues that affect their ability to move through MTO.

MTO Families in New York

One of the few long-distance movers in MTO used her certificate to move from northern Manhattan to the suburban town of Silver Spring, Maryland to be near her sister. Both she and her youngest child, who is now ten years old, wanted very much to live in a safer area. She had some experience in the catering business in New York and already has a job interview lined up in the DC area with a catering firm known to one of the staff working at the Northern Manhattan Improvement Corporation.

The New York demonstration began its outreach in August 1994, when NYCHA mailed letters to about 2,000 potentially eligible families. After additional outreach was conducted, NMIC received its first families for counseling in December 1994. Enrollment has grown steadily since then, and 309 New York families have enrolled in the MTO demonstration to date. Of the 157 families assigned to the MTO experimental group, there have been 34 lease-ups. The lease-up rate in New York is 25 percent, while the rate in the comparison group is 16 percent. Previous research on the implementation of Section 8 tenant-based assistance in New York city consistently yields success rates significantly below the national average, due, at least in part, to the complex and tight rental housing market.¹⁵ New York's MTO operating costs per assigned family average \$590, or \$2,501 per family leased-up.

V. THE MOVING TO OPPORTUNITY DEMONSTRATION AFTER TWO YEARS

Two years into the MTO demonstration, all five sites have conducted family outreach, processed applications, created waiting lists, and enrolled families. Over 1,600 families have been randomly assigned to one of the three MTO groups. Out of the targeted 666 families scheduled to lease-up as part of the MTO experimental group, 319 (47.9 percent) are already living in their new homes in low-poverty communities.

PHAs have forged close working relationships with the non-profit housing counseling agencies with whom they are working and these non-profits continue to counsel eligible families at all five sites. Some of the PHAs may consider contributing a limited number of their certificates and vouchers to the MTO demonstration in the next year, potentially increasing the demonstration's sample size and ensuring more useful and robust findings in the future.

A large proportion of MTO experimental group families have been successful in obtaining rental housing in low-poverty communities with the Section 8 certificates and vouchers issued through the demonstration. Indeed, preliminary data currently show that MTO has been able to improve upon the accomplishments of Chicago's Gautreaux program, achieving higher rates of lease-ups in most of the sites. The high MTO lease-up rates are even more impressive given the difficulty facing families moving into low-poverty census tracts, which are often distant and unfamiliar.

The MTO demonstration has already begun to return benefits as a source of reliable data and policy insights. Early baseline surveys provide useful information on the aspirations and needs of public housing families. And the experience of the five demonstration sites has expanded HUD's knowledge about the design and implementation of housing mobility counseling programs in different market environments. During the next two years HUD expects to publish findings on the content and costs of MTO mobility counseling programs, on differences between successful and unsuccessful MTO recipients, and on the characteristics of neighborhoods in which MTO families locate. In addition, the Office of Policy Development and Research has awarded eight small grants to university researchers who are examining the immediate social, employment, and educational impacts in the lives of the parents and children who moved into low-poverty communities (Appendix C lists these research projects and their principal investigators). Results from these studies will be published over the course of the next two years. This ongoing research and information gathering will enable HUD to develop more sensible and effective mobility strategies for recipients of tenant-based housing assistance in metropolitan areas throughout the nation.

Although it is too early to determine in quantitative terms what effects residential mobility is having upon MTO families, the demonstration has already helped numerous public housing families, formerly living in deeply poor, crime-ridden communities to escape inner-city isolation and find decent homes in low-poverty neighborhoods. Both parents and children report deep satisfaction at having escaped the fear and limited futures associated with their former developments.

**APPENDIX A: ELIGIBLE CITIES AND APPLICANTS
FOR THE MTO DEMONSTRATION**

The FY 1993 NOFA for the Moving to Opportunities for Fair Housing (MTO) demonstration was issued by the Office of Public and Indian Housing on August 16, 1993 and closed on November 15, 1993. Twenty-one cities were eligible to apply: Baltimore, Boston, Chicago, Cleveland, Dallas, Denver, Detroit, Fort Worth, Houston, Kansas City, MO, Long Beach, CA, Los Angeles, Milwaukee, New York, Philadelphia, Phoenix, San Diego, San Francisco, San Jose, Seattle, and Washington, DC. Sixteen applications were submitted jointly by PHAs and non-profits:

1. Baltimore/Community Assistance Network
2. Boston/Metropolitan Boston Housing Partnership.
3. Chicago/Leadership Council for Metropolitan Open Communities.
4. Cleveland/Cuyahoga Plan of Ohio.
5. Dallas/Dallas Urban League.
6. Denver/No NPO selected.
7. Detroit/Operation Get Down.
8. Fort Worth/Housing Opportunities, Inc.
9. Houston/Harris County Hospital.
10. Kansas City, MO/Greater Kansas City Housing Information Center.
11. Los Angeles/Fair Housing Congress/Beyond Shelter.
12. New York/Northern Manhattan Improvement Corp.
13. Philadelphia/Housing Association of Delaware Valley.
14. San Diego Housing Commission/Fair Housing Council of San Diego.
15. San Francisco/Catholic Charities, Project Homeward Bound.
16. Washington, D.C./Apartment Improvement Program/Housing Counseling Services.

**APPENDIX B:
REFERENCE DATA ON MTO DEMONSTRATION SITES**

	Baltimore	Boston	Chicago	Los Angeles	New York
Housing Authority	Housing Authority of Baltimore City	Boston Housing Authority	Chicago Housing Authority	Housing Authority of the City of Los Angeles	New York City Housing Authority
Non-Profit	Community Assistance Network	Metropolitan Boston Housing Partnership	Leadership Council for Metropolit. Open Com.	Fair Housing Congress and Beyond Shelter	Northern Manhattan Improvement Corporation
MTO Target Area					
# Census Tracts	5	7	4	9	12
Avg. Poverty Rate	67%	49%	67%	54%	47%
# Projects	8	8	6	11	14
Progress to Date (2/28/96)					
# MTO Lease-Ups (% of Target Number)	98 (69%)	99 (69%)	18 (13%)	63 (67%)	41 (29%)
# Comparison Lease-Ups (% of Target Number)	68 (48%)	44 (31%)	33 (23%)	32 (34%)	14 (10%)
MTO Success Rate	60%	55%	N/A	51%	25%
Comparison Success Rate	71%	73%	N/A	62%	16%
Preliminary Costs					
Per Family Served	\$1,665	\$1,569	N/A	\$1,308	\$ 590
Per Family Placed	\$2,844	\$2816	N/A	\$2,111	\$2,501

APPENDIX C: MTO SMALL RESEARCH GRANTS

RESEARCHER	TOPIC
Robert Crain (Columbia University) Joe Darden (Michigan State University) New York	This study, focusing on African-American MTO participants, uses an existing survey instrument already in use in another community to examine the housing search strategies of MTO participants, the characteristics common to families that successfully adapt to an MTO move, and the effect of moving to a predominantly white neighborhood on teenaged participants' social, educational, and employment opportunities.
Lawrence Katz (Harvard University) Jeffrey Kling (MIT) Boston	This study uses MTO baseline data and public data to give an aggregate overview of the extent to which MTO movers have increased opportunities in their new neighborhoods, and to investigate the various barriers to mobility.
Helen Ladd (Brookings Institution) Jens Ludwig (Georgetown University) Baltimore	This study uses participant interviews and census data to examine the actual and perceived changes in educational opportunities experienced by MTO movers.
Mark Matulef (Westat, Inc.) Manuel Pastor (Occidental College) Los Angeles	This study uses existing MTO databases, interviews with program staff and focus groups to determine whether MTO participants who receive housing counseling and search services realize their locational, social, and economic objectives at a higher rate than participants who receive only conventional Section 8 briefings.

RESEARCHER	TOPIC
Jeanne Brooks-Gunn (Columbia University) Phillip Thompson (Columbia University) New York	This study involves interviewing teenaged students and their parents who are MTO participants to describe the peer, family, school, neighborhood, and individual processes that might facilitate or restrict adaptation to the new setting.
Nancy Denton (SUNY Albany) Chicago	This study uses a survey of MTO and Section 8 families to identify the nature and extent of adjustment problems, and to pinpoint the differences in these problems based on the program in which the family is participating.

RESEARCHER	TOPIC
Sara McLanahan (Princeton University) Maria Hanratty (Princeton University) Los Angeles	This study uses several data sources, including a telephone survey of MTO participants to examine the factors that affect families' decisions to participate in the MTO program, and the determinants of participants' choice in housing location.
Donald Norris (University of Maryland, Baltimore County) Baltimore	This study investigates differences in MTO participants' housing search strategies, and examines the factors that influence their choices of residential location, by interviewing counselors and conducting focus groups of MTO participants.

ENDNOTES

1. Henry G. Cisneros, *Regionalism: The New Geography of Opportunity*, Washington, DC: U.S. Department of Housing and Urban Development, 1995.
2. William J. Clinton, *National Urban Policy Report*, Washington, DC: U.S. Department of Housing and Urban Development, 1995.
3. HUD actually obligated \$68.5 million for MTO certificates and vouchers.
4. Secretary Henry Cisneros approved the final selection of five MTO demonstration sites as recommended by the technical review panel on March 17, 1994. This report therefore marks the first two years of program implementation.
5. For a description of existing mobility programs and their impacts, see John Goering et al, *Promoting Housing Choice in HUD's Rental Assistance Programs*, U.S. Department of Housing and Urban Development: Washington, D.C., April, 1995.
6. James Rosenbaum. 1992. "Black Pioneers -- Do Their Moves to the Suburbs Increase Economic Opportunity for Mothers and Children?" Housing Policy Debate. Volume 2, Issue 4, 1179-1213.
7. Several of the PHAs that applied to participate in MTO were determined to be ineligible because of their poor management and performance records in meeting basic public housing and Section 8 rental assistance requirements.
8. Non-intrusive household tracking techniques to locate MTO families over the entire ten-year period of the demonstration are currently being developed.
9. Regression analysis reveals that the determinant value of six combined demographic variables listed in the MTO baseline survey (race, head of household sex, household size, head of household age, employment, and AFDC collection) is statistically insignificant at the .05 level ($R\text{-square}=.01921$).
10. Crime victimization results derived from survey data must be considered with a modicum of caution, due to the "telescoping" effect observed in some crime victimization studies (B.Penick, ed., *Surveying Crime*, (Washington, DC: National Academy of Sciences, 1976, p.43). Telescoping refers to the phenomenon whereby a survey respondent acknowledges an actual crime to the interviewer but reports the date of its occurrence inaccurately. This phenomenon can inflate crime victimization figures somewhat. However, the questions posed by the MTO baseline survey and the RTI instrument

are so similar that telescoping effects should be similar for both studies, or "a wash." Further, Penick, et. al., note that telescoping "does not necessarily affect estimates of victimization within a certain period" (p.45).

11. Research Triangle Institute defines the "largest" PHAs as those authorities managing 4,000-49,000 units of public housing.

12. R. Zelon, B. Rohe, S. Leaman, & S. Williams, Research Triangle Institute, Survey of Public Housing Residents: Crime and Crime Prevention in Public Housing, 1994.

13. Placement rates, or success rates, are defined as the percent of all families who are able to find a housing unit in which they can use their Section 8 subsidy. Unsuccessful families are those who, despite housing search assistance, are unable to find a suitable unit and therefore do not receive tenant-based rental assistance.

14. MTCS data on the characteristics of project residents is for December 1995.

15. *Section 8 Rental Voucher and Rental Certificate Utilization Study: Final Report*, U.S. Department of Housing and Urban Development, October 1994.

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