

# A National Opportunity Voucher Program: A bridge to quality, integrated education for low income children

July 2009

A new national “Opportunity Voucher” program would set aside 50,000 vouchers per year to help low income families and children in high poverty, segregated neighborhoods move to higher opportunity communities with low poverty, high performing schools. This program builds on the success of the famous “Gautreaux” housing mobility program in Chicago, and would be administered by state and regional entities in the most segregated metropolitan areas of the U.S. The voluntary program, which would be funded out of existing housing voucher allocations, would be targeted to families in our most distressed communities, and assist families to move to low poverty schools, with strong pre and post move counseling services. This concept paper outlines program eligibility, the mobility-counseling model, definitions for destination neighborhoods, and program costs.

## Overview

Both research and intuition support the idea that neighborhoods matter, especially for children. The neighborhood a family lives in is likely to determine the quality of the school a child attends, his or her peer group, the family's exposure to violence or drugs and their access to employment, as well as parks and recreation. For many poor families, moving out of a racially isolated and disinvested area may be the first step toward self-sufficiency and wider opportunities. The Housing Choice Voucher program is a critical gateway for families to access high opportunity neighborhoods. However, while program regulations state that they allow for choice in where to live, the reality on the ground tells a different story. Many voucher holders live in economically and racially segregated neighborhoods; this is particularly true for black and Hispanic households. Research shows that families need additional assistance in the form of mobility counseling to overcome constrained neighborhood choices and access high opportunity neighborhoods. While a few small, boutique mobility counseling programs are scattered across the country, currently no national program is dedicated to providing mobility counseling and facilitating opportunity moves.

## Program Description

A national housing mobility program, starting at the minimum level of 50,000 vouchers per year, and targeted to families in high poverty neighborhoods in the 30 most segregated metropolitan areas, could help low-income families move to lower poverty, less racially isolated schools and, ultimately, help deconcentrate the Housing Choice Voucher Program.

- ***Eligibility*** – Vouchers should be available through regional administration of waiting lists, but provide families currently receiving assistance and those on local PHA waiting list with priority assistance. Opportunity vouchers would be set aside for families living in high poverty, racially concentrated communities in the selected metro areas.
- ***Mobility Counseling Services*** – Housing mobility counseling agencies will be able to provide a mix of services to participating households, including housing search counseling and unit referrals, free credit reports and budget counseling, and transportation to view units in opportunity neighborhoods, workshops on landlord-tenant

law, and post-move support and engage in landlord recruitment. Programs should be required to provide post-move support, counseling, and links to family self-sufficiency programs. There are several excellent examples of this type of program operating in Chicago, Baltimore, and Dallas.

- **Provide Exception Rents** – Regional Counseling Agencies will have the option to provide exception rents up to at least 120 percent of the FMR.
- **Destination Neighborhoods** – In order to encourage voluntary racial and economic integration, in accordance with established law, Opportunity Vouchers would be targeted to receiving communities with schools that have less than the regional average minority population, and schools with low rates of student poverty (defined as students receiving “free and reduced lunch” - a widely used measure of low income students within a school). Evidence shows that low in-school student poverty rates are associated with other indicators of high opportunity neighborhoods, such as proximity to jobs, access to parks and open spaces, access to employment, and low neighborhood crime rates.
- **Administering Agencies** – the proposed program would create 30 Regional Counseling Agencies in the most segregated regions across the country. Regional Counseling Agencies could be private organizations or governmental entities with a regional scope. Regional Counseling Agencies will be responsible for all aspects of opportunity voucher administration, including expediting HUD Quality Standards inspections. HUD should award vouchers to agencies on a competitive basis and use performance based management tools to increase utilization and retention.
- **Program Costs** – We estimate that the additional cost of the Opportunity Voucher Program would be about \$4,600 per year per voucher (\$3,000 per family for housing mobility counseling and landlord recruitment, plus an average additional voucher cost of about \$1600 per year for estimated higher rents in higher quality school districts). If 50,000 Opportunity Vouchers are allocated annually, the additional cost would be \$248 million per year (including setup costs for 30 metro-wide housing regional counseling programs).<sup>1</sup>
- **Performance Measurement and Tracking** – Regional Counseling Agencies will be responsible for collecting program data, including subsequent moves, and reporting it to HUD. HUD should provide Counseling agencies performance-based incentives based on household retention in opportunity neighborhoods.

Today the voucher program serves approximately 2 million households, making it the largest program providing affordable housing to America’s poor families. In terms of making housing affordable, the program is effective. However, that the program is missing the mark in helping families move to better neighborhoods and improved educational opportunities. While a national housing mobility program of this size will not help all voucher holders move to opportunity neighborhoods, it is a good start and can help build capacity among regional agencies to provide mobility counseling for all families.

---

<sup>1</sup> This estimate assumes that the new Opportunity Voucher program includes vouchers set aside in future voucher appropriations or existing (turnover) vouchers. If a new, separate appropriation is required, the cost would be higher.