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## Vouchers and Affordable Housing: The Limits of Choice in the Political Economy of Place

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# Vouchers and Affordable Housing: The Limits of Choice in the Political Economy of Place

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Rigel C. Oliveri<sup>1</sup>

## INTRODUCTION

America's housing segregation problem, and the direct role of government and private actors in creating it, is well documented.<sup>2</sup> What to do about it is less clear. And even when consensus develops about particular strategies, they can be difficult to implement because of significant headwinds that impede change. These headwinds—including market forces, government policies, and private prejudices—continue to stymie progress, and even well-intentioned reform efforts can fail at best and lead to negative consequences at worst.

This piece seeks not to provide answers, but rather to describe one such set of reforms and headwinds and to propose some modest policy changes that might lead to incremental progress. I discuss attempts to help poor minority families move to neighborhoods with less concentrated economic and racial segregation in one particularly challenging place: the St. Louis metropolitan area.

In St. Louis, as in many other major metropolitan areas, low-income minority households tend to be clustered in high-poverty, racially segregated neighborhoods. In the St. Louis area, these neighborhoods are located either in St. Louis City or in North St. Louis County.<sup>3</sup> While some families may prefer to live in these neighborhoods in order to be near social and family networks, others may wish to move to areas with lower poverty rates, better schools, and less crime. Research shows that adults and children benefit when families are able to move to these so-called “higher-opportunity”<sup>4</sup> neighborhoods.<sup>5</sup> In addition, the Fair Housing Act imposes a duty on the

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<sup>2</sup> See, e.g., RICHARD ROTHSTEIN, *THE COLOR OF LAW* (2017); DOUGLAS S. MASSEY AND NANCY A. DENTON, *AMERICAN APARTHEID* (1993).

<sup>3</sup> See MOLLY W. METZGER, *CTR. FOR SOC. DEV., SECTION 8 IN THE ST. LOUIS REGION: LOCAL OPPORTUNITIES TO EXPAND HOUSING CHOICE 2* (2014).

<sup>4</sup> “High opportunity” is defined by the Department of Housing and Urban Development (“HUD”) according to an “opportunity index,” which accounts for, among other things, school quality, poverty rates, labor market engagement, proximity to jobs, environmental health, and transit costs. See Brent D. Mast, *Measuring Neighborhood Opportunity With AFFH Data*, 17 *CITYSCAPE: J. OF POL'Y DEV. AND RES.* 221, 223–24 (2015).

<sup>5</sup> BARBARA SARD & DOUGLAS RICE, *CTR. ON BUDGET AND POLICY PRIORITIES, CREATING OPPORTUNITY FOR CHILDREN: HOW HOUSING LOCATION CAN MAKE A DIFFERENCE* (2014).

federal government, federal agencies, and recipients of federal housing funds to “affirmatively further” fair housing, which includes a mandate to foster integrated living patterns.<sup>6</sup> Thus, policy-makers and advocates have strong incentives to help poor Black families move out of segregated inner-city neighborhoods and into racially and economically diverse ones.<sup>7</sup>

Yet patterns of economic and racial segregation remain stubbornly resistant to change. There is a wide variety of reasons for this. In this article, I look to one phenomenon that sociologists have termed “the political economy of place.”<sup>8</sup> This theoretical perspective recognizes that “places”—political units such as cities, suburbs, and exurbs—are the primary actors in shaping socio-racial housing patterns. These places compete with one another for resources and make zoning, land use, and development decisions that segment their housing markets, a process that reinforces and compounds existing economic and racial differences. Some of the “places” (municipalities) that are the easiest to develop affordable housing in, and to help low-

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This research is, however, somewhat inconclusive. For instance, some studies have found noticeable improvements in mental and physical health and educational and economic outcomes. See James E. Rosenbaum, *Changing the Geography of Opportunity by Expanding Residential Choice: Lessons from the Gautreaux Program*, 6 HOUSING POL’Y DEBATE 231, 240 (1995). But while the Moving to Opportunity demonstration—a major experimental study launched in the mid-1990s in five cities by HUD—found striking improvements in mental health for girls and mental and physical health for mothers, it also found negative mental health outcomes for boys and no economic gains for adults or educational gains for children. See DEP’T OF HOUS. & URBAN DEV., MOVING TO OPPORTUNITY FOR FAIR HOUSING DEMONSTRATION PROGRAM: FINAL IMPACTS EVALUATION 254–57 (2011).

<sup>6</sup> Section 3608 of the Fair Housing Act (“FHA”) directs HUD to administer its programs and activities “in a manner affirmatively to further the [FHA’s] policies.” 42 U.S.C. § 3608(d) (2018). The statute that created the Community Development Block Grant also requires grant recipients to certify to HUD that their grant will be administered in conformity with the FHA and that the recipient will use the funds in such a manner to “affirmatively further fair housing.” *Id.* at § 5304(b)(2). Although the term “affirmatively further” is not defined, the legislative history of the FHA makes clear that Congress intended for the statute both to eradicate housing discrimination and to foster integrated living patterns. For example, Senator Mondale, the FHA’s sponsor, stated that the law’s purpose was to replace segregated ghettos with “truly integrated and balanced living patterns.” 114 Cong. Rec. 3422 (1968) (statement of Sen. Mondale).

<sup>7</sup> We can contrast the mobility or deconcentration model with the “investment” or “enrichment” model, which emphasizes improving communities for existing residents. While this approach is also an important one, it contains its own difficulties: specifically, that improvement without a thoughtful process is likely to lead to gentrification and displacement of existing residents and businesses. For a discussion of how some areas use data to predict and mitigate gentrification and displacement, see Karen Chapple and Miriam Zuk, *Forewarned: The Use of Neighborhood Early Warning Systems for Gentrification and Displacement*, 18 CRRYSCAPE 109, 109–30 (2016).

<sup>8</sup> See Daniel T. Lichter et al., *Toward a New Macro-Segregation? Decomposing Segregation Within and Between Metropolitan Cities and Suburbs*, 80 AM. SOC. REV. 843, 844 (2015). Legal scholars sometimes refer to this focus as localism, in which discrete political subdivisions act in their own self-interests, and contrast it with regionalism, in which political subdivisions engage in some level of cooperative or shared governance. See, e.g., Richard Briffault, *The Local Government Boundary Problem in Metropolitan Areas*, 48 STAN. L. REV. 1115 (1996); Sheryll D. Cashin, *Localism, Self-Interest, and the Tyranny of the Favored Quarter: Addressing the Barriers to New Regionalism*, 88 GEO. L.J. 1985 (2000); Clayton P. Gillette, *Regionalism and Interlocal Bargains*, 76 N.Y.U. L. REV. 190 (2001).

income families to move to, may be the least capable of providing the sort of benefits and stability that such families are seeking. Other nearby places that provide greater opportunity may be deliberately or practically inaccessible to low-income families. In order to support stable, integrated neighborhoods, as well as true housing choice, these places must instead cooperate with one another in implementing regional planning goals—a difficult demand to make in an under-resourced environment.

This article seeks to illuminate place competition theory by grounding it in the real-world example of St. Louis. Section I discusses the difficulty of deconcentrating poverty and promoting integration using the most common methods for increasing affordable housing: Housing Choice Vouchers and Low Income Housing Tax Credits (LIHTC), specifically within the St. Louis metropolitan area. Section II examines the problems created by place competition in St. Louis, which has multiple political subdivisions and significant economic inequality. Better regional planning, particularly in the area of affordable housing development, is necessary to fix these problems now. Section III looks to the future for areas like St. Louis, where the trend of the urban poor shifting to the inner suburbs continues.

## I. DECONCENTRATING POVERTY AND PROMOTING INTEGRATION THROUGH AFFORDABLE HOUSING

### A. *Providing Access to Affordable Housing: The Housing Choice Voucher Program*

Originally designed as an efficient way to subsidize housing for the poor, the Department of Housing and Urban Development's (HUD) Housing Choice Voucher program (Section 8, or HCV) is also considered a tool for promoting economic and racial integration and for improving locational outcomes for voucher holders.<sup>9</sup> Indeed, because each voucher is used by an individual in the private housing market, the program has the ability to disperse poverty, rather than concentrating it as a public housing project would, and to provide a maximum amount of choice for home-seekers.<sup>10</sup>

Section 8 vouchers represent a demand-side solution to affordable housing. Under Section 8, low-income tenants pay 30% of their adjusted gross income to the owner for rent.<sup>11</sup> The government then pays the difference between this and the HUD-determined fair market rent (FMR), which

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<sup>9</sup> J. Rosie Tighe et al., *Source of Income Discrimination and Fair Housing Policy*, 32 J. PLANNING LITERATURE 3 (2017) (describing the dual goals of the voucher program).

<sup>10</sup> Although HUD funds and regulates the Section 8 program, vouchers are administered at the local level by Public Housing Authorities (PHAs) that coordinate federal, state, and local housing programs. Tamica H. Daniel, *Bringing Real Choice to the Housing Choice Voucher Program: Addressing Voucher Discrimination Under the Fair Housing Act*, 98 Geo. L.J. 769, 772 (2010).

<sup>11</sup> Seventy-five percent of the vouchers issued by a PHA must go to families with incomes that are at or below 30% of the area median income. Kirk McClure, Alex F. Schwartz, and

can be described as the amount needed to rent a moderately priced unit in the area. If the rent of a particular unit is higher than the FMR, the tenant can elect to rent the unit nonetheless and pay the difference, so long as the tenant does not pay more than 40% of her adjusted monthly income for rent in total. Once a person receives a voucher, it is up to her to find a rental unit within the allowable price range and to enter into a lease with a willing landlord. Participants usually have a limited amount of time—around 60 days from receipt of the voucher—to enter into a lease before the voucher expires.

While the voucher program provides much-needed housing assistance to low-income families, it falls short in several key respects. As an initial matter, the program is woefully underfunded: only 25% of people who are poor enough to qualify for a voucher actually receive one.<sup>12</sup> Thus, a voucher-focused set of solutions to segregation and affordability misses the mark with respect to three-quarters of the population involved. The next problem is utilization. Despite demand outstripping supply and long waiting-lists for vouchers, every year 10% of those fortunate enough to receive vouchers are unable to find apartments in which they can use their vouchers before they expire.<sup>13</sup> Finally, the program often fails to change locational outcomes. That is to say, voucher-holders tend to live in the same high-poverty, segregated neighborhoods as they did before they received vouchers.<sup>14</sup> Reformers have sought to address the latter two problems—underutilization and poor locational outcomes—using a number of different methods.

### 1. Programmatic Changes

The Center on Budget and Policy Priorities, a nonpartisan research and policy institute, recommends a number of strategies that HUD can implement in order to increase voucher-holder access to higher opportunity neighborhoods. These strategies include:

- Providing additional financial support for voucher-holders who wish to make “opportunity moves,”
- Allowing additional search time for families seeking to move to low-poverty neighborhoods,
- Simplifying voucher portability procedures throughout metro areas, and

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Lydia B. Taghavi, *Housing Choice Voucher Location Patterns a Decade Later*, 25 HOUSING POL’Y DEBATE 215, 215–33 (2015).

<sup>12</sup> See *Policy Basics: Federal Rental Assistance*, CTR. ON BUDGET AND POL’Y PRIORITIES (Nov. 15, 2017), <https://www.cbpp.org/research/housing/policy-basics-federal-rental-assistance>, archived at <https://perma.cc/S6M5-L76B>.

<sup>13</sup> Rachel Bogardus Drew, *Improving Housing Choice Voucher Utilization*, ENTERPRISE COMMUNITY PARTNERS (Sept. 4, 2018), <https://www.enterprisecommunity.org/blog/2018/09/improving-housing-voucher-utilization>, archived at <https://perma.cc/G9A3-CT45>.

<sup>14</sup> See LANCE FREEMAN, DEPT OF HOUS. & URBAN DEV., *THE IMPACT OF SOURCE OF INCOME LAWS ON VOUCHER UTILIZATION AND LOCATIONAL OUTCOMES* 11 (2011); McClure, Schwartz & Taghavi, *supra* note 11, at 225; Tighe et. al., *supra* note 9, at 4.

- Creating incentives for housing authorities to work together to assist voucher-holders in moving from one jurisdiction to another.<sup>15</sup>

To the extent that these measures reduce administrative barriers for opportunity moves, it stands to reason that they will have some positive effects, although these measures alone would do little to address underutilization and poor locational outcomes.

## 2. *Expanding Protection Against Discrimination Based on Source of Income*

There is no question that a significant number of landlords refuse to accept vouchers. HUD recently conducted a groundbreaking study in five diverse, major metropolitan areas—Fort Worth, Los Angeles, Newark, Philadelphia, and Washington, D.C.—and found significant discrimination against voucher-holders in each area.<sup>16</sup>

Discrimination against voucher-holders is difficult to combat using the federal Fair Housing Act (FHA) as it is currently written. Economic status and receipt of public assistance are not protected classes under the FHA.<sup>17</sup> But voucher discrimination can mask discrimination that is really based on characteristics that the FHA *does* protect: in particular, race, ethnicity, gender, disability, and familial status. In order to establish disparate treatment or discriminatory intent in such cases, the plaintiff would need to prove that the prohibited basis for discrimination was the actual one and that the refusal to accept vouchers was merely pretext. But this may be difficult. For example, if the defendant adheres to a strict “no-voucher” policy (and many do),<sup>18</sup> the plaintiff will be hard-pressed to demonstrate that the landlord is really using this policy as a cover for discrimination based on a protected characteristic in a particular instance.<sup>19</sup>

As an alternative, plaintiffs may challenge a no-voucher policy using a disparate impact claim. The FHA prohibits practices that may appear neutral, such as refusing to accept vouchers, but that result in “disparate impacts” for a protected class.<sup>20</sup> The Section 8 program disproportionately serves mem-

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<sup>15</sup> SARD & RICE, *supra* note 5, at 9.

<sup>16</sup> DEP'T OF HOUS. & URBAN DEV., A PILOT STUDY OF LANDLORD ACCEPTANCE OF HOUSING CHOICE VOUCHERS xi (2018) [hereinafter HUD Testing Study].

<sup>17</sup> See 42 U.S.C. §§ 3601–3619 (2018) (prohibiting discrimination in housing based on race, color, national origin, religion, sex, familial status, and disability).

<sup>18</sup> HUD estimates that the United States has 10 to 12 million total landlords and only a fraction of them participate in the voucher program. HUD reports that between 2009 and 2016, the number of landlords participating in the voucher program declined from 775,000 to 695,000. See Office of Policy Development and Research, *Landlords: Critical Participants in the Housing Choice Voucher Program*, EVIDENCE MATTERS (Winter 2019).

<sup>19</sup> See, e.g., *Inclusive Cmty. Project, Inc. v. Lincoln Prop. Co.*, 2019 WL 1529692 (5th Cir. 2019); *Karim-Panahi v. 4000 Massachusetts Apt.*, 302 F. Supp. 3d 330 (D.D.C. 2018).

<sup>20</sup> The Supreme Court recently held that disparate impact claims are cognizable in Fair Housing Act cases. *Tex. Dept. of Hous. and Cmty. Affairs v. Inclusive Cmty. Project, Inc.*, 135 S. Ct. 2507, 2525 (2015).

bers of protected classes—women, families with children, racial and ethnic minorities, and persons with disabilities. Thus, a landlord whose units would otherwise qualify for the program based on their rental price but who refuses to accept vouchers creates a disparate impact on those groups. This argument has had mixed success in the courts. Some courts have allowed plaintiffs to proceed under a disparate impact theory,<sup>21</sup> but others, pointing to the voluntary nature of the program and the costs associated with it, have been skeptical.<sup>22</sup>

When a plaintiff can establish disparate impact, the burden then shifts to the defendant to prove that the action had a legitimate business purpose. While some landlords no doubt refuse to accept vouchers out of stereotypical concerns about the sort of tenants who participate in the program, others may have legitimate problems with the program's bureaucracy.<sup>23</sup> For example, in order to participate in Section 8, landlords must allow apartment inspections, an extra step that the landlord otherwise would not have to take to rent the apartment. In addition, there may be delays in the leasing process or in payment from the housing authorities. Government shut-downs, which can cause payments to be suspended, are another reason a landlord might not wish to participate. If a landlord invokes these concerns, it may be enough to satisfy the legitimate business purpose defense.

Given the difficulty of enforcing anti-voucher discrimination under the Fair Housing Act as written, some advocates have called for a more comprehensive and straightforward approach, namely, amending the FHA to include lawful source of income (SOI) as a protected characteristic. Although legislation to this end has been introduced in Congress, most recently in the bipartisan Fair Housing Improvement Act of 2018,<sup>24</sup> it routinely fails. In the absence of federal action, nine states and the District of Columbia have made SOI a protected characteristic under their own statutes and at least 70 municipalities have done so by ordinance.<sup>25</sup>

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<sup>21</sup> See *Bronson v. Crestwood Lake Section 1 Holding Corp.*, 724 F. Supp. 148, 154–58 (S.D.N.Y. 1989) (allowing plaintiff to proceed on claim that landlord's refusal to accept Section 8 vouchers created a racially disparate impact); *Green v. Sunpointe Assocs. Ltd.*, No. C96–1542C, 1997 WL 1526484, at \*2–\*7 (W.D. Wash. May 12, 1997) (“[I]f a plaintiff can make out a prima facie case of disparate impact, a landlord may present his goal to terminate participation in the Section 8 program as a business necessity. Because Congress had made clear that participation in the program remains voluntary, substantial weight must be given to such a goal.”).

<sup>22</sup> *Graoch Assocs. #33 v. Louisville/Jefferson Cty. Metro Human Relations Comm.*, 508 F.3d 366, 377–79 (6th Cir. 2007) (finding plaintiff's disparate-impact claim insufficient to meet burden under FHA).

<sup>23</sup> Armen H. Merjian, *Attempted Nullification: The Administrative Burden Defense In Source Of Income Discrimination Cases*, 22 GEO. J. ON POVERTY L. & POL'Y 211 (2015).

<sup>24</sup> Fair Housing Improvement Act of 2018, <https://www.govtrack.us/congress/bills/115/s3612>, archived at <https://perma.cc/P2X9-9ER7>.

<sup>25</sup> Alison Bell, Barbara Sard & Becky Koepnick, *Prohibiting Discrimination Against Renters Using Housing Vouchers Improves Results*, CTR. FOR BUDGET AND POL'Y PRIORITIES (Dec. 20, 2018), <https://www.cbpp.org/research/housing/prohibiting-discrimination-against->

It is important to note that SOI protection does not always guarantee protection for voucher-holders. Some courts and legislatures distinguish between monetary income and participation in the voucher program. Indeed, four states (California, Delaware, Minnesota, and Wisconsin) have SOI laws that either specifically exclude housing vouchers<sup>26</sup> or have been interpreted by court decisions not to cover vouchers.<sup>27</sup> Some of these state laws have been found to preempt municipal efforts to pass their own voucher protections.<sup>28</sup> Where SOI protection exists only at the municipal level, sanctions for violating the law are low and enforcement may be weak. As a result, landlords may flout SOI mandates. For example, a recent study found that landlords in St. Louis City, which recently passed an SOI/voucher law, continued to engage in rampant discrimination against voucher holders, including brazenly featuring “no Section 8” language in their housing advertisements.<sup>29</sup>

Despite landlord recalcitrance, SOI laws are an important step in the right direction. HUD’s testing project found significantly lower denial rates in Newark (31%) and Washington, D.C. (15%), both of which have SOI laws.<sup>30</sup> Denial rates were highest in Fort Worth (78%) and Los Angeles (76%), which do not have SOI laws.<sup>31</sup> Philadelphia’s denial rate of 67% was somewhat lower but still high.<sup>32</sup> The researchers suggested this phenomenon

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renters-using-housing-vouchers-improves-results#\_ftn11, archived at <https://perma.cc/4U7L-PFRW>.

<sup>26</sup> Cal. FEHA Gov. Code 12955(o) (2018) (“It shall be unlawful . . . [i]n instances where there is a government rent subsidy, to use a financial or income standard in assessing eligibility for the rental of housing that is not based on the portion of the rent to be paid by the tenant . . . . For the purposes of this section, ‘source of income’ means lawful, verifiable income paid directly to a tenant or paid to a representative of a tenant. For the purposes of this section, a landlord is not considered a representative of a tenant.”).

<sup>27</sup> *Knapp v. Eagle Prop. Mgmt. Corp.*, 54 F.3d 1272, 1282 (7th Cir. 1995) (distinguishing vouchers from other forms of income by noting that voucher money goes directly to the landlord instead of to the voucher holder, and finding that Wisconsin’s SOI law therefore did not protect voucher-holders).

<sup>28</sup> Indeed, Texas passed a statute specifically making clear that it was preempting municipalities from enacting voucher protections: “Except as provided by this section, a municipality or county may not adopt or enforce an ordinance or regulation that prohibits an owner, lessee, sublessee, assignee, managing agent, or other person having the right to lease, sublease, or rent a housing accommodation from refusing to lease or rent the housing accommodation to a person because the person’s lawful source of income to pay rent includes funding from a federal housing assistance program.” Tex. Local Gov’t Code § 250.007 (2018). Austin’s voucher-protection ordinance was found invalid after that law’s passage. *City of Austin v. Paxton*, 325 F. Supp. 3d 749, 759 (W.D. Tex. 2018). *But see* *City and County of San Francisco v. Post*, 231 Cal. Rptr. 3d 235, 248 (Cal. Ct. App. 2018).

<sup>29</sup> METRO. ST. LOUIS EQUAL HOUS. OPPORTUNITY COUNCIL, LOCKED OUT/LOCKED IN: SECTION 8 DISCRIMINATION IN ST. LOUIS CITY 2 (2019). The report goes on to note that the sanction for violating the City’s ordinance against SOI discrimination is just a \$500 fine, and that the City’s enforcement mechanism has financial limitations of its own. *Id.* at 5.

<sup>30</sup> HUD Testing Study, *supra* note 16, at 30. An earlier HUD analysis found that voucher utilization rates improved between 4% and 11% in areas with SOI protections. *See* FREEMAN, *supra* note 14, at 11.

<sup>31</sup> HUD Testing Study, *supra* note 16, at 30.

<sup>32</sup> *Id.*



might be due in part to the fact that while Philadelphia has a SOI, neighboring Buck's County, which was also part of the study, does not.<sup>33</sup>

But while SOI laws may improve voucher utilization, the locational outcomes for voucher-holders in areas with such laws hardly change. Put another way, voucher-holders are almost as likely to end up in a high-poverty segregated neighborhood in jurisdictions with SOI laws as without.<sup>34</sup> This is particularly true for voucher-holders who are Black.<sup>35</sup> One reason for this is the persistent discrimination against voucher holders in wealthier neighborhoods. HUD's testing study found that voucher denial rates were 11 to 27 percentage points higher in low-poverty census tracts compared with high-poverty tracts in the same metropolitan areas.<sup>36</sup> Even more significant is the lack of affordable housing itself in wealthier neighborhoods, where many units will not be eligible for vouchers because their rents are too high when compared against the FMR for the entire metropolitan area.<sup>37</sup> A SOI law will not make much of a difference in improving neighborhood choice if vouchers can be used in only a few neighborhoods where the rents are low enough for vouchers.

The difference in rents is particularly stark in the western and southern parts of the St. Louis metropolitan area, which contains some of the wealthiest municipalities in the nation.<sup>38</sup> While the FMR for St. Louis County as a whole is \$924 for a two-bedroom apartment, in affluent south-county cities the median rental prices can be much more. For example, in Ladue, the average rent is \$1,874; in Frontenac, it is \$1,669, and in Town & Country, it is \$1,208.<sup>39</sup> Average rents are much lower in north St. Louis County cities like

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<sup>33</sup> *Id.*

<sup>34</sup> A HUD analysis of different jurisdictions found that the poverty rate was one percentage point lower in the census tracts of voucher recipients living in areas with SOI laws—a small, but statistically significant improvement. The areas remained just as segregated, however, and the ratio of voucher holders just as high, whether there was a SOI in place or not. FREEMAN, *supra* note 14, at 17.

<sup>35</sup> *Id.* at 22 (noting that SOI laws made no meaningful difference in outcomes for Black voucher holders, both in terms of neighborhood racial diversity or poverty deconcentration).

<sup>36</sup> HUD Testing Study, *supra* note 16, at 32.

<sup>37</sup> A metropolitan area is large and contains many neighborhoods. Thus, a fair market average rent will by definition be much less likely to include units in the more expensive neighborhoods. See HUD Testing Study, *supra* note 16, at 36 (finding large numbers of rental housing priced out of reach for voucher holders). *But see* ALICIA MAZZARA & BRIAN KNUDSEN, *CTR. ON BUDGET AND POL'Y PRIORITIES, WHERE FAMILIES WITH CHILDREN USE HOUSING VOUCHERS: A COMPARATIVE LOOK AT THE 50 LARGEST METROPOLITAN AREAS* (2019) (finding that there were affordable units in high opportunity neighborhoods in all 50 of the largest metropolitan areas that were not being used by voucher-holders).

<sup>38</sup> The South St. Louis County cities of Frontenac, Ladue, and Town & Country are three of the richest suburbs in America. Andy Kiersz, Mike Nudelman & Melia Robinson, *The 25 Wealthiest Suburbs in America*, *BUS. INSIDER* (Nov. 4, 2014), <http://www.businessinsider.com/richest-suburbs-in-america-2014-10>, archived at <https://perma.cc/WJ65-7BAL>.

<sup>39</sup> *Ladue Rental Market Trends*, RENTCAFE, <https://www.rentcafe.com/average-rent-market-trends/us/mo/st-louis-county/ladue>, archived at <https://perma.cc/CGM4-ZYXY>; *Frontenac Rental Market Trends*, RENTCAFE, <https://www.rentcafe.com/average-rent-market-trends/us/mo/st-louis-county/frontenac/>, archived at <https://perma.cc/R855-7P68>; *Town & Country*

Ferguson (\$635), Florissant (\$751), and Jennings (\$616).<sup>40</sup> This imbalance means fewer eligible units in wealthier cities, which translates into a higher concentration of voucher usage in poorer cities. Currently there are nearly 20 times as many Section 8 renters in the predominantly Black North St. Louis County than in predominantly white South St. Louis County.<sup>41</sup>

### B. *Expanding the Stock of Affordable Housing: The LIHTC Program*

One of the most successful supply-side mechanisms to increase the amount of affordable housing is the Low-Income Housing Tax Credit (LIHTC). Congress created the LIHTC program as part of the Tax Reform Act of 1986 in order to encourage private investors to support the development of affordable rental housing.<sup>42</sup> The funding is keyed to the number of units available to low-income renters. States receive a fixed dollar amount of tax credits that they award to developers through a state-created Qualified Allocation Plan (QAP), which includes particular selection criteria and preferences in addition to federal program guidelines. The tax credits have been responsible for producing over 3 million housing units between 1987 and 2016.<sup>43</sup>

LIHTC can provide a critical source of investment capital for rehabilitating older housing and developing new affordable housing stock. However, the program guidelines have led to the criticism that the LIHTC program perpetuates economic and racial segregation by concentrating affordable housing in already-poor, often racially-segregated neighborhoods.<sup>44</sup> Specifically, the LIHTC funding formula gives preferences for projects located in a census tract where 50% of households have incomes below 60% of the Area Median Gross Income or where the poverty rate is 25% or more.<sup>45</sup> For example, in the St. Louis area, LIHTC properties are overwhelmingly concen-

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*Rental Market Trends*, RENTCAFE, <https://www.rentcafe.com/average-rent-market-trends/us/mo/st-louis-county/town-and-country>, archived at <https://perma.cc/F3TV-WKLL>.

<sup>40</sup> *Ferguson Rental Market Trends*, RENTCAFE, <https://www.rentcafe.com/average-rent-market-trends/us/mo/st-louis-county/ferguson>, archived at <https://perma.cc/S9QX-EJML>; *Florissant Rental Market Prices*, RENTCAFE, <https://www.rentcafe.com/average-rent-market-trends/us/mo/st-louis-county/florissant>, archived at <https://perma.cc/J4RB-X6PC>; *Jennings Rental Market Trends*, RENTCAFE, <https://www.rentcafe.com/average-rent-market-trends/us/mo/st-louis-county/jennings/>, archived at <https://perma.cc/9JW4-DT5B>.

<sup>41</sup> John Eligon, *An Indelible Black-and-White Line*, N.Y. TIMES, Aug. 9, 2015, at A1.

<sup>42</sup> MARK P. KEIGHTLEY, CONG. RESEARCH SERV., RS22389, AN INTRODUCTION TO THE LOW-INCOME HOUSING TAX CREDIT 1 (2018).

<sup>43</sup> *Low-Income Housing Tax Credits*, DEP'T OF HOUS. AND URBAN DEV., <https://www.huduser.gov/portal/datasets/lihtc.html>, archived at <https://perma.cc/87E8-3545>.

<sup>44</sup> See, e.g., Florence Wagman Roisman, *Mandates Unsatisfied: The Low Income Housing Tax Credit Program and the Civil Rights Laws*, 52 U. MIAMI L. REV. 1011 (1998); Myron Orfield, *Racial Integration and Community Revitalization: Applying the Fair Housing Act to the Low Income Housing Tax Credit*, 58 VAND. L. REV. 1747 (2005).

<sup>45</sup> *Qualified Census Tracts and Difficult Development Areas*, DEP'T OF HOUS. AND URBAN DEV., <https://www.huduser.gov/portal/datasets/qct.html>, archived at <https://perma.cc/6TY7-4EXL>.

trated in St. Louis City and near the northern border of the County/City line.<sup>46</sup>

There are a number of changes state governments can make to their QAPs in order to increase the number of LIHTC developments placed in low-poverty, diverse neighborhoods, and to give poor households and people of color greater access to developments in low-poverty, diverse areas. For example,

[States] can set aside a fixed minimum share of credits to be allocated to those developments [in high opportunity areas], give them more points in the scoring system used to select LIHTC developments, or allow those developments to receive supplemental credits referred to as a “basis boost.” These incentives can be targeted on projects that meet a range of opportunity criteria, including low poverty rates, proximity to high-performing schools, or access to jobs.<sup>47</sup>

In addition, states could take measures to decrease the possibility of resistance from local governments for LIHTC projects. Historically, many states have required approval from local governments for LIHTC allocations or have given preference to projects that have such approval. Such policies effectively give local governments the power to veto LIHTC projects by disapproving them or by refusing to provide a contribution to support them.<sup>48</sup> To the extent that wealthier cities are better able to resist efforts at creating affordable housing, eliminating the requirement for city approval could help place LIHTC properties in less economically and racially segregated areas.

## II. THE POLITICAL ECONOMY OF PLACE AND THE NEED FOR COORDINATED REGIONAL AND STATE RESPONSES TO AFFORDABLE HOUSING

One common element in all of the above solutions is the need for coordinated, comprehensive reform. SOI protections help with voucher utilization, but they only exist in some areas and are not always enforced effectively. Moreover, they will not provide true neighborhood choice if they can only be used in a handful of affordable neighborhoods. LIHTCs can help create affordable housing, but they will not offer true housing choice if they are clustered only in low-income, segregated areas.

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<sup>46</sup> A recent study found that out of 389 total LIHTC properties in the St. Louis area (not including any parts of Illinois), 334 were either located in the City or in the northwestern part of St. Louis County. This accounted for 78% of the total LIHTC units in the area. See Ross Clarke and Nina Parikh, *Low Income Housing Tax Credit Properties in St. Louis City and St. Louis County* (map on file with author).

<sup>47</sup> WILL FISCHER, CTR. ON BUDGET AND POL’Y PRIORITIES, *LOW-INCOME HOUSING TAX CREDIT COULD DO MORE TO EXPAND OPPORTUNITY FOR POOR FAMILIES* 5–6 (2018).

<sup>48</sup> *Id.*

The example of North St. Louis County, including the now infamous city of Ferguson, is illustrative of the pitfalls of the lack of a coordinated approach to affordable housing.<sup>49</sup> Ferguson and other suburbs like it originally came to prominence in the late 1940s and early 1950s as the result of white flight from St. Louis City. For decades, Ferguson's Black population was virtually zero, although it bordered the small, majority Black city of Kinloch.<sup>50</sup> In 1970, Ferguson was 99% white.<sup>51</sup>

After 1968, with the passage of the Fair Housing Act, Black families slowly began to move into Ferguson and other formerly all-white municipalities in North St. Louis County.<sup>52</sup> As they did so, whites moved further west and south. In 1980, as the pace of Black mobility increased, the town was 85% white and 14% Black.<sup>53</sup> Ferguson's City Council approved the construction of low- and mixed-income housing apartments in a newly-annexed neighborhood on the East Side. Some of the units were refurbished in the mid-1980s by investment groups using LIHTCs. Black families who were displaced from Kinloch by the expansion of the Lambert St. Louis Airport, or those seeking to leave St. Louis City, were able to move to a suburb that was neither extremely poor nor heavily segregated.<sup>54</sup> In 1990, Ferguson was approximately 75% white and 25% Black.<sup>55</sup>

Wealthier, whiter municipalities resisted affordability by engaging in exclusionary zoning practices such as requiring single family homes on large lots that would be out of the price range for many Black families.<sup>56</sup> These places used zoning and land-use laws to prevent the construction of public housing, low-income housing, and even multi-family housing (i.e., apartment buildings) that would be likely to attract Black occupants.<sup>57</sup> They could

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<sup>49</sup> Jesse Bogan, Denise Hollinshed & Stephen Deere, *Why Did the Michael Brown Shooting Happen Here?*, ST. LOUIS POST-DISPATCH (Aug. 17, 2014), [https://www.stltoday.com/news/local/metro/why-did-the-michael-brown-shooting-happen-here/article\\_678334ce-500a-5689-8658-f548207cf253.html](https://www.stltoday.com/news/local/metro/why-did-the-michael-brown-shooting-happen-here/article_678334ce-500a-5689-8658-f548207cf253.html), archived at <http://perma.cc/TK8H-TK52>.

<sup>50</sup> COLIN GORDON, *MAPPING DECLINE: ST. LOUIS AND THE FATE OF THE AMERICAN CITY* 70 (Glenda Gilmore et al. eds., 2008).

<sup>51</sup> Paulina Firozi, *5 Things to Know About Ferguson*, USA TODAY (Aug. 19, 2014), <http://www.usatoday.com/story/news/nation-now/2014/08/14/ferguson-police-department-details/14064451/>, archived at <https://perma.cc/YXS9-J2BC>.

<sup>52</sup> GORDON, *supra* note 50, at 147–49.

<sup>53</sup> Editorial, *The Death of Michael Brown*, N.Y. TIMES (Aug. 12, 2014), <http://www.nytimes.com/2014/08/13/opinion/racial-history-behind-the-ferguson-protests.html>, archived at <https://perma.cc/7R8D-JSHU>.

<sup>54</sup> Jeffrey Smith, *You Can't Understand Ferguson Without First Understanding These Three Things*, NEW REPUBLIC (Aug. 15, 2014), <http://www.newrepublic.com//ferguson-missouri-s-complicated-history-poverty-and-racial-tension>, archived at <https://perma.cc/R3XS-WELH>.

<sup>55</sup> *1990 Census of Population, General Population Characteristics: Missouri*, BUREAU OF THE CENSUS 37, <https://web.archive.org/web/20030318231514/http://www.census.gov/prod/cen1990/cp1/cp-1-27.pdf>.

<sup>56</sup> See GORDON, *supra* note 50, at 70.

<sup>57</sup> One particularly stark example of this occurred in Black Jack, MO, which refused to allow the construction of multifamily housing in what was widely viewed as an effort to prevent Black people from moving there from St. Louis City. See *United States v. City of Black Jack*, 508 F.2d 1179 (8th Cir. 1974).

resist LIHTC properties, or make such development so expensive as to be financially unfeasible.

Meanwhile, cities like Ferguson continued to receive more and more LIHTCs. Another project was awarded in 2005 in order to refurbish a 438-unit complex called Northwinds.<sup>58</sup> Not long after this, Ferguson officials were approached by investors and state housing officials with another LIHTC project for a 336-unit property called Park Ridge.<sup>59</sup> City officials, concerned about the concentrated number of low-income apartments on its east side, were resistant to the project (although they did not write formal opposition letters). The City's Mayor at the time was quoted as saying, "The state just forced it on us. . . . I even said, 'Why don't you put it in Wildwood [in West County]? Why don't you put it in Chesterfield [in South County]?"<sup>60</sup> According to news reports, he was told that the project wouldn't be profitable for investors if it were located in more affluent cities.<sup>61</sup>

By 2010, Ferguson was 71% Black. All of its neighborhoods except one had a poverty rate that exceeded 20%. It is now part of a census tract that contains the largest number of Section 8 vouchers in the St. Louis metropolitan area. The vast majority of LIHTC properties in the St. Louis area are clustered in the City and in North St. Louis County.

Housing policy scholars argue that spatial-mobility programs should result in a net social gain for all involved, including the poor, the taxpayers, and the neighborhoods receiving the poor households.<sup>62</sup> Programs designed to relocate the poor must be viewed "in terms of the benefits to the households receiving the assistance as well as the costs that may be imposed upon the neighborhoods absorbing the assisted households."<sup>63</sup> These costs include reduced values for properties near clusters of voucher-holders in neighborhoods that are already experiencing declines in value.<sup>64</sup> As one group of scholars notes:

For net social gains to be realized, the gains from relocating the poor away from neighborhoods with high levels of poverty must be greater than the losses experienced by the receiving neighborhoods. Specifically, the goal of poverty deconcentration is served

<sup>58</sup> Jesse Bogan & Walter Moskop, *As Low-Income Housing Boomed, Ferguson Pushed Back*, ST. LOUIS POST-DISPATCH (Oct. 19, 2014), [https://www.sltoday.com/news/local/metro/as-low-income-housing-boomed-ferguson-pushed-back/article\\_fcb97a3c-8bb7-54a5-9565-255301753142.html](https://www.sltoday.com/news/local/metro/as-low-income-housing-boomed-ferguson-pushed-back/article_fcb97a3c-8bb7-54a5-9565-255301753142.html), archived at <https://perma.cc/8NUZ-2934>.

<sup>59</sup> *Id.*

<sup>60</sup> *Id.*

<sup>61</sup> *Id.*

<sup>62</sup> George C. Galaster, *An Economic Efficiency Analysis of Deconcentrating Poverty Populations*, 11 J. OF HOUSING ECON. 303 (2002); George C. Galaster, *Investigating Behavioural Impacts of Poor Neighbourhoods: Towards New Data and Analytic Strategies*, 18 HOUSING STUDIES 893 (2003).

<sup>63</sup> Galaster, *supra* note 62, at 909–11.

<sup>64</sup> George C. Galaster, Peter Tatian & Robin Smith, *The Impact of Neighbors Who Use Section 8 Certificates on Property Values*, 10 HOUSING POL'Y DEBATE 879 (1999).

by helping poor households move to tracts where poverty is low (less than 10%) rather than moderate or high, and to do so without raising the level of poverty such that a tract moves from being a low-poverty tract to a higher category.<sup>65</sup>

Thus, in order to minimize losses for the receiving neighborhoods, moderate-poverty neighborhoods, like Ferguson was in the 1990s, must not be treated as “destination neighborhoods” expected to absorb additional poor households.<sup>66</sup>

As the political economy of place theory recognizes, “ongoing ecological processes in metropolitan areas have created ‘the potential for a new geopolitical order capable of compounding the benefits and liabilities of class by superimposing administrative segmentation on economic segregation.’”<sup>67</sup> If a municipality’s property values and tax base are falling, it may well be vulnerable to external forces from other political units. More affluent places will compete in order to draw away high value development and wealthier residents. A poorer city’s desire to attract redevelopment capital may create a snowball effect, which makes it an attractive site for more and more low-income housing, perhaps pressed by state authorities who are eager to satisfy outside investors. Both of these trends increase racial, as well as economic, segregation.

We can expect this type of competition to be more extreme in larger and more economically diverse areas that have multiple political units.<sup>68</sup> The St. Louis metropolitan area is an example. It contains independent St. Louis City as well as St. Louis County, which is made up of 91 different municipalities. Thus, what might look to a casual observer like a big city surrounded by suburbs and exurbs is actually a patchwork of nearly 100 political subdivisions, some just a few miles square, each with its own municipal services, local taxation authority, and zoning and development plans. This environment creates a collective action problem. Rather than work together with regional allies, wealthier cities have the incentive to continue with exclusionary land-use practices, including low-density zoning and re-

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<sup>65</sup> McClure et al., *supra* note 14, at 225.

<sup>66</sup> *Id.* This appears to be exactly what happens throughout the nation. About 10% of all voucher households live in high-poverty neighborhoods, tracts with poverty greater than 40%. While 10% is a small percentage, it is increasing. In addition, about 70% of voucher households live in tracts with moderate (10–40%) poverty. Thus, 80% of voucher households live in neighborhoods with high or moderate poverty. *Id.* at 225–26.

<sup>67</sup> Lichter et al., *supra* note 8, at 847–48 (internal citation omitted).

<sup>68</sup> See Lichter et al., *supra* note 8, at 849 (“Viewed from a political economy of place perspective, the cities and suburban communities within large and economically diverse metropolitan regions face substantially more competition for affluent residents and commercial activity than do their counterparts in smaller, more homogenous, emerging metropolitan regions. The substantive implication is clear: metropolitan segregation will consist of larger shares of macro-segregation in older, heavily populated, industrial metropolitan areas. That is, place-to-place differentiation will be greater in these metropolitan areas, including greater differentiation by race and ethnicity (i.e., macro-segregation).”).

strictions on rentals, multifamily buildings, and LIHTC properties.<sup>69</sup> These patterns are then reinforced by all the usual suspects: white flight, racial discrimination, lending discrimination, and racial steering practices.

One way to open up additional opportunities in dispersed markets that avoids creating large clusters of low-income housing is to expand the purchase power of the voucher. HUD has experimented with so-called “small-area FMRs,” which calculate the FMR at the zip-code level rather than the entire metropolitan area.<sup>70</sup> This would allow a family to use a voucher in a more affluent neighborhood, because it would peg the allowable amount of subsidized rent to a more localized area, rather than the regional average.

But again, there are qualifiers. For this to be successful, SOI protections must cover every municipality in the region, to counter the resistance to vouchers shown by higher-income neighborhoods. Unfortunately, this approach would also limit the number of vouchers a Public Housing Authority (PHA) could issue. PHAs are allocated a set funding amount for their voucher programs, and the program is already so underfunded that only a quarter of households who are poor enough to qualify for vouchers actually receive them. Spending more on costlier vouchers in more expensive neighborhoods would leave fewer resources for everyone else. Thus, PHAs will have to make a difficult decision: meet as much of the existing need as possible, or help a smaller number of families relocate to more affluent areas. In St. Louis, Housing Authority officials were faced with this choice in 2013 when Congress cut HUD funding as part of the budget sequestration.<sup>71</sup> The Housing Authority actually chose to *decrease* the voucher payment stan-

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<sup>69</sup> Daniel T. Lichter, Domenico Parisi, Steven Michael Grice & Michael Taquino, *Municipal Underbounding: Annexation and Racial Exclusion in Small Southern Towns*, 72 RURAL SOC. 47 (2007) (“Annexation—or the lack of annexation—can be a political tool used by municipal leaders to exclude disadvantaged or low-income populations, including minorities, from voting in local elections and from receiving access to public utilities and other community services.”).

<sup>70</sup> NYU FURMAN CTR., HOW DO SMALL AREA FMRs AFFECT THE LOCATION AND NUMBER OF UNITS AFFORDABLE TO VOUCHER HOLDERS? 2–3 (2018) (“With a single payment standard operating across a metropolitan area, the homes affordable to voucher holders tend to be concentrated in jurisdictions and neighborhoods with relatively low rents, which are often areas with high poverty rates and limited opportunities for advancement.”). In fact, HUD has recently mandated the use of Small-Area FMRs in 24 select metropolitan areas. St. Louis was not one of them. Establishing a More Effective Fair Market Rent System; Using Small Area Fair Market Rents in the Housing Choice Voucher Program Instead of the Current 50th Percentile FMRs, 81 Fed. Reg. 80567, 80567–80587 (Nov. 16, 2016) (to be codified at 24 C.F.R. pt. 888, 982–83, 985).

<sup>71</sup> The sequester refers to the automatic cuts to federal government spending in particular areas as part of an austerity fiscal policy under the Budget Control Act of 2011. The reductions in spending authority were approximately \$85.4 billion (versus \$42 billion in actual cash outlays) during fiscal year 2013, with similar cuts for years 2014 until 2021. See Dylan Matthews, *The Sequester: Absolutely Everything You Could Possibly Need to Know*, in *One FAQ*, THE WASH. POST, Feb. 20, 2013, <https://www.washingtonpost.com/news/wonk/wp/2013/02/20/the-sequester-absolutely-everything-you-could-possibly-need-to-know-in-one-faq/>, archived at <https://perma.cc/B683-E53U>.

dard, which kept virtually all of its existing clients in the program but meant that fewer families were able to move out of high-poverty, racially segregated areas.<sup>72</sup>

### III. WHAT HAPPENS NEXT?

Some urban centers gentrify and displace residents. Others languish, prompting residents to leave if they can. As a result, with respect to racial and economic differences, the city-suburb barrier has become less important than the differences between suburbs.<sup>73</sup> In recent decades, the pattern has been for many of the poor Blacks who leave cities to move to inner ring suburbs, like Ferguson.<sup>74</sup> Suburban whites who are so inclined then flee to more expensive suburbs, unincorporated housing developments, and gated communities.<sup>75</sup> Inner-ring suburbs used to be the places where whites segregated themselves away from inner-city Blacks; now, inner-ring suburbs may be one of the few alternatives to the urban core for low-income Black families.

While there has been some movement of poor, minority households out of center cities, to some extent this has just moved the color line and re-concentrated poverty in the suburbs. “[T]he mere fact of a reduction in the incidence of high-poverty urban neighborhoods during the 1990s cannot automatically be associated with improved well-being for our metropolitan societies overall.”<sup>76</sup> In short, what may look in a snapshot like a diverse neighborhood may well instead be an area that is rapidly resegregating. As commentators have noted, “integrated communities have a hard time staying integrated for extended periods,” and many communities that were once integrated have now re-segregated and are largely non-white.<sup>77</sup> And what initially might seem like an opportunity move out of the city may ultimately provide little change at all, especially as some suburbs begin to deteriorate.<sup>78</sup>

Which brings us back to vouchers and the question of how to provide greater choice to the families who use them. SOI protections are an impor-

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<sup>72</sup> See Caitlin Lee & Clark Randall, *Surviving the Waiting Game for Housing Aid*, CITY-LAB (Mar. 5, 2018), <https://www.citylab.com/equity/2018/03/how-section-8-vouchers-work-in-st-louis/554927/>, archived at <https://perma.cc/Z7MR-8J9F>.

<sup>73</sup> See Lichter et al., *supra* note 8, at 845–46.

<sup>74</sup> See MYRON ORFIELD & THOMAS LUCE, INST. ON METRO. OPPORTUNITY, AMERICA’S RACIALLY DIVERSE SUBURBS: OPPORTUNITIES AND CHALLENGES 2 (2012); Lichter et al., *supra* note 8, at 845–46.

<sup>75</sup> See Daniel J. McGraw, *The Complications of Our Deteriorating Inner-Ring Suburbs*, BELT MAGAZINE (Jan. 5, 2015); Lichter et al., *supra* note 8, at 845–46.

<sup>76</sup> George C. Galster, *Consequences From the Redistribution of Urban Poverty During the 1990: A Cautionary Tale*, 19 ECON. DEV. Q. 119, 123 (2005).

<sup>77</sup> ORFIELD & LUCE, *supra* note 74, at 2.

<sup>78</sup> McGraw, *supra* note 75 (noting that such suburbs typically lack the institutional and social infrastructure to deal with the changing demographics and tax base that a poorer demographic brings). Moreover, the housing stock itself presents a problem. Because many of the houses were built at once (during the post-war housing boom of the 1950s), they are deteriorating all at once, with little new housing being built to replace them. *Id.*



tant first step in breaking up segregated patterns and providing true housing choice for low-income people, but only if every municipality in the region (or better yet, at the state level) undertakes these protections. Even then, SOI protections will only be useful if there are plenty of affordable units in a variety of neighborhoods. Using small-area FMRs and subsidizing “opportunity moves” would help, but these measures might not be a realistic option at a time when rising rents and resource limitations outstrip HUD’s ability to meet the needs of a vast majority of the eligible population. Again, it bears repeating that voucher-based solutions only affect a quarter of the low-income population.

A state-level planning and investment focus would be ideal, but the nature of state politics makes this unlikely (as the St. Louis experience demonstrates).<sup>79</sup> The next best step would be a regionalist approach among the municipalities, in which each agrees to support its fair share of affordable housing in lower-poverty areas, along with increased investment in inner-ring suburbs.<sup>80</sup> Of course, this approach requires a level of cooperation that may prove impossible. Professors Myron Orfield and Thomas Luce observe that:

Existing membership organizations for municipalities, such as the League of Cities, involve all types of cities and suburbs, rich and poor, white and non-white. As voluntary membership organizations, they risk losing membership who disagree with their actions. Thus, they are consensus- and status-quo-oriented and may be unlikely to take any strong position on the issues necessary for suburban stability.<sup>81</sup>

With this reality in mind, there are a number of strategies that diversifying suburbs can take to adapt to these demographic changes, such as coordinating social services, addressing transportation needs, and diversifying the housing stock.<sup>82</sup> Orfield and Luce suggest:

[T]he diverse suburbs must form their own organizations, support them with dues, and seek government and private grants to fund their reform efforts. Once created, these organizations should use their political power, in every way they can, at the state and federal levels to ensure that current laws are enforced or changed to support their stability and redevelopment.<sup>83</sup>

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<sup>79</sup> See *id.*

<sup>80</sup> See *id.*

<sup>81</sup> ORFIELD & LUCE, *supra* note 74, at 42.

<sup>82</sup> See Pete Saunders, *Inner Ring Suburbs Could Use Some Attention*, FORBES (Sep. 28, 2016), <https://www.forbes.com/sites/petesauanders1/2016/09/28/inner-ring-suburbs-could-use-some-attention/#15f1dc433b50>, archived at <https://perma.cc/5E64-CW4F>.

<sup>83</sup> ORFIELD & LUCE, *supra* note 74, at 29.

Thus, with or without state support, these places—cities and suburban municipalities—must act together and coordinate with the Housing Authorities whose jurisdictions may cross multiple political subdivisions.

#### CONCLUSION

The problems of concentrated poverty and racial segregation are so complex, and have been so long in the making, that no one strategy is enough to eliminate them. Even obvious solutions like SOI laws and voucher-portability are unlikely to have much of an effect without multiple coordinated interventions on a regional scale. Commentators note that, “[s]table integration is possible, but it does not happen by accident. It is the product of clear race-conscious strategies, hard work, and political collaboration among local governments.”<sup>84</sup>

This complexity is why the political economy of place matters. Some of the most important mechanisms for change are vested within “places” that tend to compete, rather than cooperate, with one another. As a result, political subdivisions are both perpetrators and victims of patterns of racial subordination and retrenchment. The experience of Section 8 voucher-holders in the St. Louis area provides a powerful, if dispiriting, example. Recognizing this, issue advocates must keep a macro-level perspective, even though their work often requires a community-level focus. Cooperation is the only way to realize true choice when it comes to low-income housing.

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<sup>84</sup> *Id.* at 2.

