# Final Report Housing Mobility Program to

# ITEX

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and the

## Port Arthur Housing Authority

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From

## **Housing Choice Partners**

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#### **Executive Summary**

In 2013, the Port Arthur Housing Authority (PAHA) received HUD approval to dispose of 204 units of public housing at Carver Terrace/Lincoln Square in the southwest portion of Port Arthur, Texas. Carver Terrace/Lincoln Square is a development located very near the Motiva Oil Refinery (the largest in the country) and other toxic sites, while also being isolated from grocery stores and commerce. PAHA applied for and received approval from HUD for \$20 million dollars in Community Development Block Grant (CDBG) disaster relief money related to Hurricane Ike to develop new replacement housing for Carver Terrace residents.

During this same period, fair housing issues surfaced in the State of Texas. As a result of the new focus, PAHA determined that fair housing assistance would be beneficial in relocating Carver Terrace residents. HCP was hired as a consultant to assist with the relocation efforts.

HCP's role in this project was to help set up a mobility program that would be carried out by local PAHA staff. HCP would monitor the progress of the program until the last residents were relocated. The program would assist participants in understanding their fair housing rights and would provide expanded housing choice in opportunity areas of the region.

HCP assisted PAHA staff in developing the mobility program and in implementing it. A definition of opportunity areas was developed along with needed written materials/forms and a tracking system. Staff training was conducted and a work plan/timeline was implemented to guide the project. PAHA staff administered resident surveys, workshops, landlord outreach, community tours, one-on-one counseling and handled all the administrative tasks associated with relocation.

The new multi-family site consisting of 184 mixed-income replacement rental units was approved by HUD by the end of the project. Another 104 unit elderly site is currently under review by PAHA and its developer partner, ITEX. All of the former Carver Terrace and Lincoln Square residents have relocated, including 49 movers (representing 33% of the total) to opportunity communities—areas where there is greater racial diversity, less poverty, and greater employment and educational choice.

Those who moved to opportunity areas saw the biggest gains in racial and economic diversity (as might be expected compared to those who stayed in traditional areas). They moved from an area averaging 96% African American population and 55% poverty to areas post-move averaging 19% African American and 15% poverty. That's an <u>80% increase in racial diversity</u> and a <u>73% increase in economic diversity</u> on average.

Those who stayed in traditional areas improved their diversity "score" too but far less than those who moved to opportunity areas. Traditional movers went from the average 96% African American population and 55% poverty to areas post-move averaging 50% African American and 32% poverty. That's a <u>48% increase in racial diversity</u> and a <u>42% increase in economic diversity</u> on average (see chart below).

Residents also reported very high levels of satisfaction with the move process (90%), mobility assistance (100%), their new neighborhoods (80%) and new units (75%).

HCP was pleased to be a part of the innovative team assembled in Port Arthur. Seeing the challenges facing this area was both a humbling and enlightening experience resulting in a great deal of learning on the part of HCP and that of the PAHA staff and its residents.

#### Carver Terrace/Lincoln Square Movers by Type of Move

	Pre move poverty rate by census tract (Carver Terrace)	Pre move African American population by census tract (Carver	Post move average poverty rate by census tract	Post move average African American population by census tract	Change in poverty rate	Change in African American population
Move		Terrace)				
Opportunity Movers (49)	55%	96%	15%	19%	-73%	-80%
Traditional Movers (97)	55%	96%	32%	50%	-42%	-48%
All Movers (146)	55%	96%	27%	40%	-51%	-58%

#### **Background Information**

This report documents the efforts of the Port Arthur Housing Authority (PAHA) in relocating residents of its Carver Terrace/Lincoln Square public housing development.

In 2013 PAHA received HUD approval to dispose of 204 units of public housing at Carver Terrace/Lincoln Square in the southwest portion of Port Arthur, Texas. New mixed income developments will replace the old public housing properties.

PAHA is a relatively small housing authority administering about 300 units of public housing and over 2600 housing choice vouchers for use in the private rental market.

Port Arthur Texas is a community of approximately 54,000 residents, located In Jefferson County near the Louisiana state line on the Gulf of Mexico. Port Arthur is south of Beaumont, Texas and just over an hour southeast of Houston. The residents of the community are approximately 40% African American, 30% Hispanic and 25% White with a growing Hispanic and shrinking White population.

The family poverty rate is approximately 22%. The median income is \$30,957 and the median value of a home or condo is \$66,836, both low compared to the rest of the state. Lamar State College is located in Port Arthur as is Motiva Oil Refinery, the largest refinery in the United States.

Hurricanes Rita (2005) and Ike (2008) did a great deal of damage to Port Arthur and the surrounding gulf communities. Several redevelopment efforts, funded by HUD CDBG Disaster Relief money, were implemented to rebuild parts of the community.

The ITEX Group is a Port Arthur company that focuses on property management, real estate development and investment, new construction and rehab of residential, mostly multi-family housing. They manage 4000 units in communities such as Port Arthur, Houston, Galveston, Fort Worth and Beaumont, Texas and some properties in Louisiana as well. They employ green initiatives and specialize in constructing and managing affordable and mixed income housing

ITEX recently completed a \$10 million renovation of an historic hotel in Galveston Texas reserving 43 of 83 units for those earning less than 80% of the area median income (see photos on page 6). ITEX is also the developer for two mixed income developments that will replace the Carver Terrace/Lincoln Square public housing developments in Port Arthur.

ITEX Group, renovation of the Jean Lafitte Hotel in Galveston, Texas. It's now a mixed income complex in the heart of the City.



#### Carver Terrace/Lincoln Square

Carver Terrace/Lincoln Square is a development located very near the Motiva Oil Refinery and the area is isolated from grocery stores and commerce, and is near other toxic sites. Smoke stacks are located near Carver Terrace.

Once PAHA received HUD approval to dispose of the development and relocate current residents, PAHA and ITEX developed a plan to build new replacement housing, after which site selection began. Two parcels of land were identified in Port Arthur to build one elderly and one family development. A third initiative was also identified to build single family homes on the west side of Port Arthur with the hope that the investment there could help to generate other investment in the area (this idea ultimately wasn't included due, in part, to the lack of financial feasibility).

PAHA applied for and received approval from HUD for \$20 million dollars in CDBG disaster relief money to develop new replacement housing for Carver Terrace residents. Carver Terrace is in the process of being sold. PAHA received a bid from one of the local refineries and is currently working with HUD to approve the bid.



#### **Fair Housing Issues**

During this same period, the State of Texas was the subject of a fair housing complaint to HUD because of a lack of affirmative effort on the part of various Texas agencies to promote greater housing choice when utilizing HUD funds, particularly using HUD CDBG disaster relief funds. The complaint was filed by fair housing advocates and resulted in an agreement by the State of Texas to implement a variety of new activities to ensure that the State was in compliance with federal fair housing law. Incidentally, Galveston, Houston and Vidor, Texas also have a history of issues with regard to fair housing.

As a result of the new fair housing agreement, ITEX and PAHA determined that they needed fair housing assistance in relocating the Carver Terrace residents. HCP was hired as a consultant to assist with the relocation efforts.

HCP of Illinois, Inc. is an 18 year old, private non-profit organization located in Chicago, Illinois. HCP's mission is to reduce intergenerational poverty by promoting expanded housing choice for low-income households. HCP has a great deal of experience in assisting households to access better areas and in helping public housing authorities implement effective programs. HCP provides direct services and consulting to achieve its goals.

#### **PAHA Mobility Program Implementation**

A mobility program was created to assure residents of Carver Terrace of their fair housing rights, Mobility programs generally work to expand fair housing choice beyond racially segregated, high poverty areas to areas of opportunity. Where people live generally determines overall life outcomes and recent studies have shown that economic mobility and health outcomes are stunted when low income households live and raise children in highly segregated and poverty concentrated areas (see *Stuck in Place,* a book by Patrick Sharkey and *Housing Voucher Mobility: An Overlooked Fair Housing Issue,* by Alexander Polikoff, John Marshal Law Review).

HCP and other affordable housing advocates see mobility programs as one strategy to change life trajectories. Assisting low-income households to move to areas of opportunity where schools are better, crime lower, good employment more plentiful and where health outcomes will likely be improved is what HCP does best.

HCP's role in this project was to help set up a mobility program that would be carried out by local PAHA staff. HCP would monitor the progress of the program until the last residents were relocated.

HCP began by visiting Port Arthur to learn about the community, the region, the residents and Carver Terrace itself. A meeting was held with city and housing authority officials, various State of Texas agency representatives and others to hear about what is required under the fair housing agreement signed by the State of Texas. A tour of the area followed and ITEX and PAHA staff were introduced. This activity occurred in November/December, 2012.

The team that worked on the relocation/mobility program included Sherri Sengsouvanna, a consultant working with PAHA and ITEX on disposition and development, and Seledonio Quesada, the PAHA Executive Director. Karen Bell, who had experience in running a similar mobility program in Rockford, Illinois, was added to the housing authority staff to coordinate the mobility program and provide direct service to clients. Ms. Bell was to be assisted by other PAHA staff as needed. The project began in November, 2012 and wrapped up in March, 2014. PAHA applied for and received relocation vouchers from HUD for all the Carver Terrace families (191) and those vouchers were issued between July and November, 2013.

#### **Definition of Opportunity Area**

HCP's next step was learning about the demographics and suggesting a definition of what constitutes an opportunity area in Port Arthur and the surrounding region. Local representatives accepted HCP's suggestion that the average African American and poverty rates would be a good determiner and maps were created to show what Port Arthur and the region would look like with that definition in place.

Port Arthur is 40% African American and it has a 22% family poverty rate according to data from the 2010 census. The region, including Hardin, Orange and Jefferson Counties, is 29% African American and 17% poverty. For the purpose of the relocation/mobility effort, two definitions were used, one for moves within Port Arthur and one for the rest of the region.

The maps prepared for the project and attached to this report, show each census tract in the area. If the tract is less than the average race and poverty figures, it's considered an opportunity area. If the tract is greater than the average, on either count, it's considered a traditional area. The theory is based on the assumption that if there were no discrimination (and no long-term effects of past discrimination) everyone would live in all parts of the region in direct proportion to their general numbers in the area. This has been a common method to determine opportunity areas over the years. New and more sophisticated methods are now available, but at the time that data was expensive and difficult to obtain.

#### **Process and Material Development**

#### **Basic decisions**

HCP put a number of decisions relating to successful implementation before the PAHA team.

- 1. Exception rents. Higher rents help households move into better areas.
- Workshops. A series of workshops was recommended including topics such as landlord/tenant rights and responsibilities, financial management, home maintenance, building community and schools matter. Residents can be more successful in the private market with this knowledge.
- 3. Time Frame. Additional search time is helpful to allow residents to explore areas they might not be familiar with throughout the region. Providing 120-180 days search time was recommended.

Because of sequestration, exception rents weren't possible but PAHA did implement extended search time and was enthusiastic about providing workshops.

#### Work Plan and Timeline

After several meetings with PAHA staff, a work plan and timeline were developed. All anticipated activities were outlined, responsible staff was assigned and a deadline for completion was created.

The work plan began in April, 2013 with development of a questionnaire for Carver Terrace households that would be used to learn more about the residents and their needs in relocating. The questionnaire was used at a resident meeting in May to educate households on the relocation plan and to encourage them to sign up for the mobility program. A total of 136 out of 192 families at Carver Terrace signed up for the Housing Mobility Program (HMP). The remaining residents relocated without the assistance of the mobility program.

All employees of PAHA attended a training session to learn about the program. The training included the history of fair housing and mobility, what the goals for the program would be and what would be happening in the next year in terms of mobility.

After the initial training, regular weekly meetings were held with involved staff to ensure that all goals were being met and if necessary, to make adjustments. Overall the timeline worked very well and goals were met (with the exception of those related to workshops and discussed in the next section).

HCP also compiled a notebook documenting the program for on-going mobility training for new staff. The notebook began with HCP sample forms, which were replaced by Port Arthur documents as they were developed so the complete PAHA program is contained for the future in one place.

#### **Mobility Counseling and Workshops**

During April and May 2013, workshop using PowerPoint and handouts were completed including local information on schools, employment, crime and other benefits of moving to opportunity areas.

Several additional topics were developed including home maintenance and tenant rights and responsibilities. Other workshop topics such as schooling, financial management and building community were not developed because of time limitations, which became apparent early in the process.

Vouchers began to be issued in June, 2013 but there was sparse attendance at initial workshops because families were more focused on moving (and rightly so). In the end about 56 households attended an orientation, 35 attended a home maintenance course, and 10 attended the tenant rights and responsibilities workshop presented by attorney Tai Ho from Lone Star Legal Aid (thanks to the Dallas Inclusive Communities Project for assisting us in developing this relationship).

No other workshops were offered and only a few community tours were completed, because the move process moved so quickly that there wasn't enough time to organize and educate residents on all their options. Karen Bell did all the mobility counseling for the program, which was primarily conducted on a one on one basis.

PAHA staff did all the relocation administration including conducting eligibility, issuing vouchers, handling the moving expenses and security/utility deposits, plus the usual inspections, rent determinations and landlord contracts. PAHA was also simultaneously issuing vouchers to people on their wait list so it was a very busy time.

Ms. Bell, who had an office on-site, spent a lot of time giving out basic information and keeping everyone on track. Moves from Carver Terrace were done building by building and once moves started to occur, safety became a consideration so finding good units quickly was critical. Most HMP households who relocated needed a two-bedroom unit with a few 1 and 3 bedroom households included as well.

Landlord outreach was done both in person, and on the phone and materials were developed for this task as well. A list of developments in the area was also created (ITEX had a good beginning on this task completed already). All information was shared with interested residents.

#### Results

Of the 136 households who participated in the mobility program, 39 moved to an opportunity area. Another 10 households who were not part of the mobility program also moved to an opportunity area. Out of a total of 146 moves, 49 were to opportunity areas, 33.5% of the total (see maps attached).

- Looking only at those who moved to <u>opportunity</u> areas, we find that they moved from tracts averaging 96% African American and 55% poverty to tracts averaging only 19% African American and 15% poverty, an enormous improvement in racial diversity.
- Looking only at those who moved to <u>traditional</u> areas, we find they went from the same 96% African American and 55% poverty tracts, to tracts that averaged 50% African American and 32% poverty post move. Far less racial and economic diversity was found in these post move neighborhoods.
- And If we look at <u>all residents who moved</u>, they went from a census tract averaging 96% African American and 55% poverty to areas averaging 40% African American and 26% poverty, a very significant improvement in terms of greater racial and economic diversity.

**Opportunity movers vs traditional movers.** Clearly the biggest gains are in the group who moved to opportunity areas. Those households saw an 80% increase in racial diversity and a 73% increase in economic diversity on average compared to those who stayed in traditional areas where their racial and economic diversity "score" was raised by 48% and 42% respectively, still significant but not as impressive as those who moved to opportunity areas.

**Mobility program participants vs non-mobility program participants.** If we look at those who movers who participated in the mobility program we have 108 in total—39 went to opportunity areas while 69 stayed in traditional areas. Those who moved as part of the mobility program (even those who stayed in traditional areas which is their choice) also showed gains in racial and economic diversity. Those households saw a <u>60% increase in racial diversity</u> and a <u>53% increase in economic diversity</u> on average.

If we look only at those who didn't participate in the mobility program, we get 10 who moved to opportunity areas and 28 who stayed in traditional areas. This group increased their diversity scores by <u>52% in terms of racial diversity</u> and <u>47% in terms of economic diversity</u> (see chart).

Those who participated in the mobility program did better than those who didn't by 8% on the racial diversity score and 6% on the economic score.

## Carver Terrace/Lincoln Square Movers by Type of Move

	Pre move poverty rate by census tract (Carver Terrace)	Pre move African American population by census tract (Carver Terrace)	Post move average poverty rate by census tract	Post move average African American population by census tract	Change in poverty rate	Change in African American population
Opportunity Movers (49)	55%	96%	15%	19%	-73%	-80%
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Carver Terrace/Lincoln Program (mobility vs no	•					
	Pre move poverty rate by census tract (Carver Terrace)	Pre move African American population by census tract (Carver Terrace)	Post move average poverty rate by census tract	Post move average African American population by census tract	Change in poverty rate	Change in African American population
HMP participant movers (108)	55%	96%	26%	38%	-53%	-60%
Non HMP participant movers (38)	55%	96%	29%	46%	-47%	-52%
All Movers (146)	55%	96%	27%	40%	-51%	-58%

A number of families moved to Southwood Crossing, an ITEX development in Port Arthur which is a mixed income (LIHTC), fairly new development, in an opportunity area. While greater deconcentration would have been preferable, the development—a gated community—has many amenities including a baseball field and basketball court, pool, community gardens, several playgrounds and high end finished (see photos).



In addition to the local moves just discussed, an additional 14 residents ported out of the Port Arthur area, 16 moved to other public housing units, and 15 weren't assisted (some of those were evictions).

The move process went quickly as noted previously because residents were anxious to move and knew for quite some time that relocation was coming. In fact, the average process time from the issuance of the voucher to the contract with a landlord was only 46 days including about 16 days of processing time for paperwork, inspections and rent determination.

#### **Survey of Residents**

A simple two page letter/survey was sent to residents who moved, a total of 146.

- Most former residents of Carver Terrace reported that they were happy to be able to move to a better environment-- one resident said "To move to a better neighborhood was a blessing for me and my family."
- Over half the respondents said they already had a location/unit in mind when they were
  issued their voucher and because of the need to relocate quickly, mobility became a
  secondary consideration in some instances. Mobility programs generally work better in
  a situation where there isn't pressure to relocate from public housing, when there's
  more time to consider where to move, and to really explore new areas.
- Most respondents cited moving to a safer area as their most important priority which is consistent with other mobility program findings. Better schools was the second most mentioned factor along with a better quality unit.
- Almost all residents report being highly satisfied with their new neighborhood and new unit, with a majority giving a 10 to each (on a scale of 1-10 with 10 meaning the resident loves the neighborhood/unit). Residents made statements like "quiet and peaceful" area, "lots of privacy", "less noise and violence", "no drama" and also commented about

liking their neighbors. Several stated they were happy to be near more stores, schools and jobs.

- Almost all respondents said the housing authority was helpful and that they were "patient and understanding" and "I couldn't ask for anything better". They said that Ms. Bell (the mobility counselor) was on site and easy to reach and one resident commented "She's very helpful and serious about her job—love her." Another said "Ms. Dixon was wonderful."
- A few residents commented that they couldn't reach their case worker and that transportation was an issue for them in getting moved.

Overall the mobility program was successful and residents are in much better areas and units, and more integrated into the community. Residents reported very high levels of satisfaction with the move process (90%), mobility counseling (100%), their new neighborhoods (80%) and new units (75%).

While some follow up visits were completed, we urge PAHA to finish up the visits and to monitor the success over time of these families. Moving families to better areas is one step, but keeping them there over time is what leads to better life outcomes for low income residents.

PAHA, under all the circumstances, invested in better outcomes and expanded housing choice and it paid off for everyone. The State of Texas can now point to this effort to "affirmatively further fair housing" and hopefully use this experience to do more of the same. We also urge Port Arthur to continue using the Housing Mobility Program for all its voucher holders.

#### New Mixed Income Replacement Housing

Most of the Carver Terrace/Lincoln Square families are interested to learn about and possibly move into the new mixed income developments that will replace Carver Terrace/Lincoln Square when they're ready. HCP was able to assist PAHA in answering HUD's questions about the proposed sites for those new developments and now the project is moving along.

HUD recently completed a civil rights review of PAHA (not prompted by a complaint but a regular part of HUD procedures). Site selection was a stated fair housing concern. Port Arthur is a majority minority community with few sites available for development in predominantly white, low poverty areas. Without a regional approach to development (which was encouraged by fair housing advocates) in a community like Port Arthur, options are limited.

HUD had concerns about the number of affordable and comparable rental options in opportunity areas if the two proposed developments would not be specifically located in those opportunity areas. The PHA would need to demonstrate that "sufficient, comparable opportunities exist for housing for minority families, in the income range to be serviced by the proposed project, outside areas of minority concentration."

The proposed elderly development, Edison Square, is located in the midst of a middle class neighborhood with access to grocery stores, a hospital and senior center. The tract is 56%

African American and 20% poverty (not the desired levels of diversity) but HUD ultimately approved that site when it was demonstrated that sufficient affordable housing was available in opportunity areas of the community for elderly residents including Low Income Housing Tax Credit properties and other private market units.

The proposed multi-family site, Park Central, is located in a tract that's 65% African American and 12.4% poverty (again not the desired level of racial diversity). PAHA showed that there were comparable affordable units in opportunity areas (the mobility program also proved that) and that the site is in a growth corridor and ultimately HUD approved this site too.

HCP helped make the affordable rents argument by providing median rents and the number of affordable units by tract for the areas in and around Port Arthur. The assistance of fair housing advocates, in particular Texas Appleseed, and the Inclusive Communities Project in Dallas, was sought and they helped in evaluating the sites in the very beginning of the project. Texas Appleseed also assisted in writing a statement to HUD. Both developments were approved with regard to fair housing issues.

An environmental review was also just completed by HUD and both Edison Square and Park Central were approved on those grounds too and are now moving ahead. PAHA closed on Park Central and construction commenced in March 2014. PAHA has closed on the land for Edison Square and is currently seeking additional funding since the Port Arthur City Council did not approve the Low-income tax credits for Edison Square. However, PAHA is confident the Edison Square site will close in mid to late 2014 as either 104 units of elderly housing or a phased approach based on financial resources. Hopefully two beautiful new developments will be available soon in much better locations than the old Carver Terrace/Lincoln Square.

#### Conclusion

HCP was pleased to be a part of the innovative team assembled in Port Arthur. Learning about the challenges facing this area was a fascinating experience. We learned a lot and we think the staff and the residents in Port Arthur did too.

We encourage PAHA to continue to provide follow up services to those who moved to opportunity areas in particular to assure their success. We also hope that all the effort put into developing the mobility program will continue for those who are part of the overall voucher program. With new affirmatively furthering fair housing rules from HUD, mobility will be an important strategy to fulfill HUD's mandate.

The best part of this project though is that the residents had a good experience in relocating and they are much better off today than before the process started. Some of these residents may move to one of the new mixed income developments that will be built in the coming year and we wish them, PAHA, ITEX and others the best in these future endeavors. We look forward to hearing about the grand opening of Park Central and Edison Square!

#### Attachments

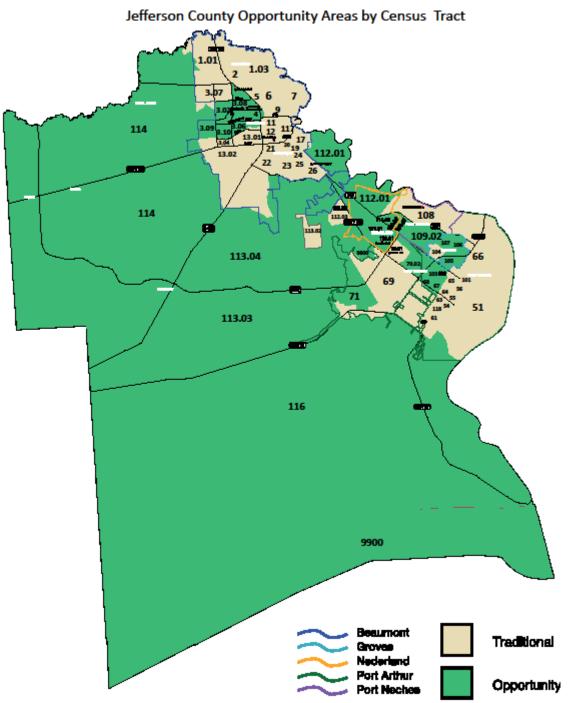
Opportunity Maps— Jefferson County, Hardin County, Orange County, Port Arthur, Beaumont and Partial Orange County

**Opportunity moves** 

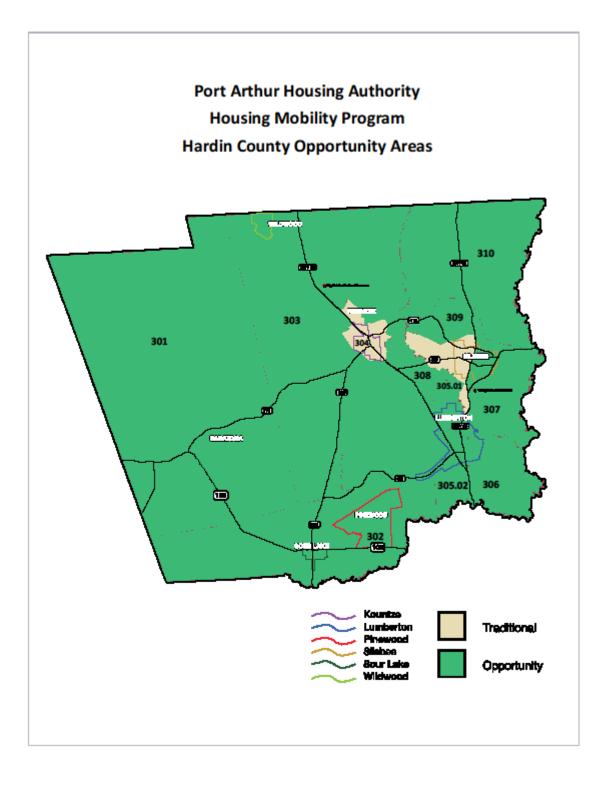
Non-mobility participant moves

Mobility participant moves

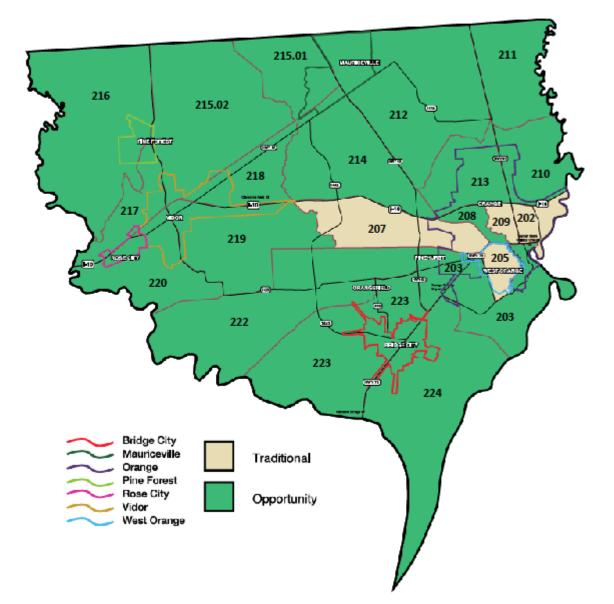
All moves

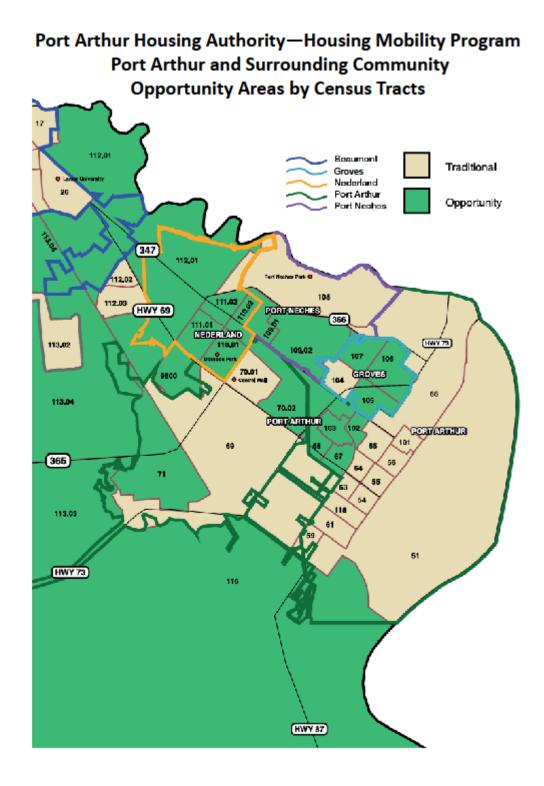


### Port Arthur Housing Authority—Housing Mobility Program

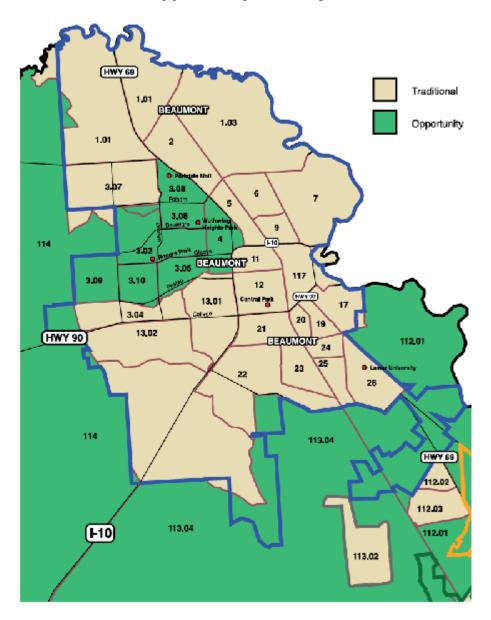


## Port Arthur Housing Authority Housing Mobility Program Orange County by Census Tract

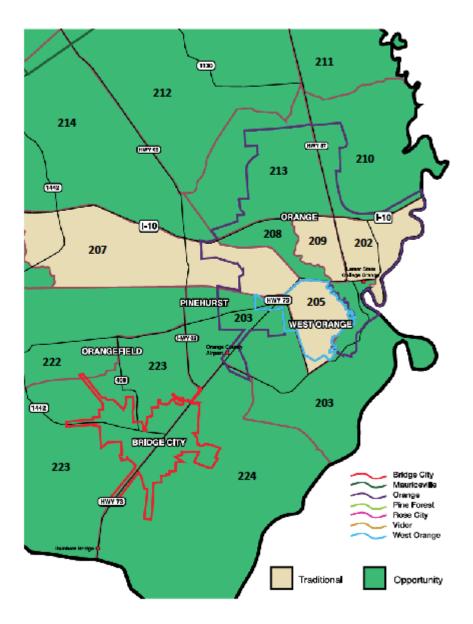


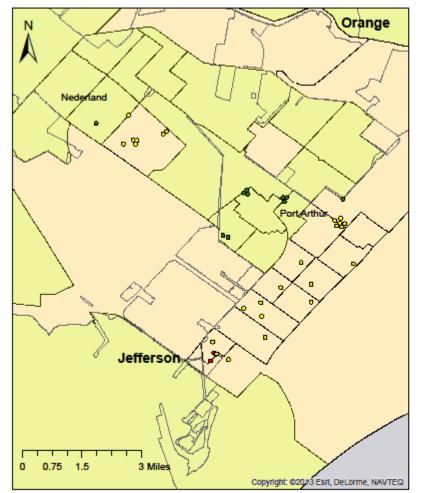


## Port Arthur Housing Authority Housing Mobility Program Beaumont Opportunity Areas by Census Tract

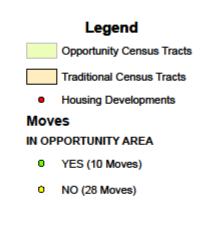


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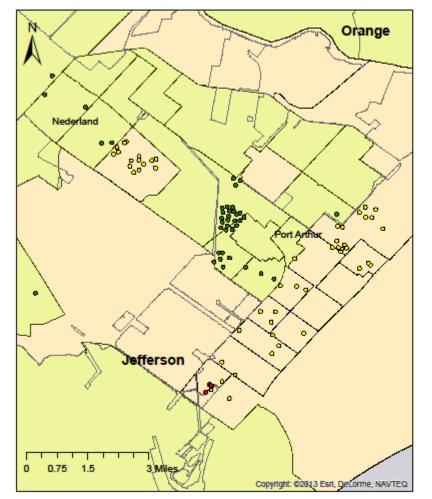


### Port Arthur Housing Authority, Non-Housing Mobility Program Participants

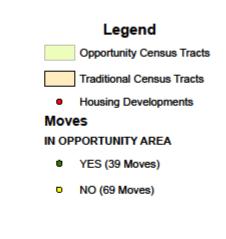


Prepared by Housing Choice Partners 401 S. LaSalle St., Suite 1101 Chicago, IL 60605 3/20/2014

Data sources: U.S. Census Bureau TIGER/Line@ 2013 County Shapefiles; Texas State Data Center, TIGER/Line@ - Texas 2010 Redistricting County Shapefiles

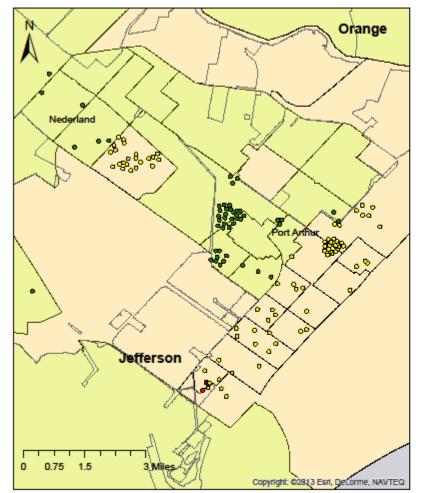


### Port Arthur Housing Authority, Housing Mobility Program Participants

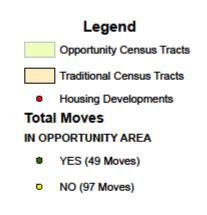


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## Port Arthur Housing Authority, Housing Mobility Program and Non-Housing Mobility Participants



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