Social Mix Policy: Lessons from Experiences in United States

사회통합 정책: 미국의 경험

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< Abstract >

Social mix in housing has gained popularity since it has been regarded as a remedy for addressing poverty concentration and subsequent social problems. This article investigates the origin, evolution, and performance of social mix policy in the United States in order to draw implications for Korean housing policy. The author identifies three types of social mix: place-based, people-based, and regulations approach. These approaches are evaluated in terms of individual benefits, neighborhood outcomes, and provision of affordable housing. A people-based approach has shown better performance to benefit individual level; a place-based approach has contributed to an increase in neighborhood outcomes; a regulation approach has accomplished to the production of affordable housing. However, implementing a social mix policy entails several issues such as low rate of returnees, reduction of public housing, low level of social interaction, and neighborhood resistance. These problems were caused by the elimination of regulatory requirements, discrepancy between planners and residents, and lack of physical and social venues to incorporate different social groups. Investing underlying causes of unintended consequences sheds light on the importance of government role, understanding residents’ needs, and the significance of design and shared interests among residents.

Keyword: Social Mix, HOPE VI, MTO, Inclusionary Zoning

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I. Introduction

Social mix policy has a growing popularity in many countries. Concentration of minorities and extremely poor households in distressed neighborhoods has been considered as the cause of social problems such as anti-social behavior, crime, drug, and social discrimination. In order to tackle social problems, many efforts have been devoted to change the residential composition at the neighborhood level either through attracting middle-income households into inner city or through dispersing low income households toward wider geography. Sometimes, allocation of affordable housing is mandated by public authority as the condition of construction permits. The Korean government has also implemented similar programs by mixing housing size and tenure both in regeneration projects and in new developments. In Korea, social mix policy is growing its importance as the tension between haves and have-nots increases. Despite the significance, not so much has been done to investigate the origin, evolution, and performance of social mix in other countries including the United States.

This study purposes to address how, why, and what of the following questions: (1) how the social mix policy has implemented thus far? (2) why unintended consequences have happened? And (3) what can we learn from previous experiences? In pursuit of these questions, this study traces the origin first, and then delineates the expected benefits, followed by categorizing the social mix programs. Employing three categories derived from theories and literature, the study evaluates the social mix programs and explores the reason behind unintended consequences. In doing so, the author seeks contribution to broadening the knowledge of social mix policy and providing relevant implications for Korean housing policy.

II. The idea of social mix

1. Definition

Social mix is a policy in housing intended to achieve a blend or balance of a population
with different social and economic characteristics, seeking diversity of neighborhoods (Saldiv, 1998). In order to make a socially mixed neighborhood, a commonly used method is mixing tenure, housing type, or mixing income levels. It often applies through establishing quotas, for example, a certain portion of housing unit is assigned to build as rental units or affordable housing units with below market rents. Mixed income development in the US and the housing tenure mix in Korea can be regarded as a social mix approach in this sense.

2. Origins and evolution

The idea of social mix is not new. It occurred in urban planning early in the nineteenth century. The social mix idea can be traced back to the philosophies of equality and social justice, which was to establish justice and to provide more equal life chances to people from different social strata. One way to achieve this was to make the residential areas socially mixed. In the beginning, social mix in Europe was about a mix of social classes. The importance of ethnicity mix emerged after the World War II.

The early example of social mix is Bournville located outside in Birmingham, UK. The builder of this estate in 1894, Cadbury had a vision that a social change could be attained through better physical living environment. The physical design was to build different houses in terms of cost and size. The different housing types were supposed to be located in close proximity to each other to obtain a mix as a whole. However, his vision was not only confined to mix different income groups, but also all social classes with different interests and characteristics. Bournville became famous and inspired the Garden City movement (Sarkissian, 1976).

Ebenezer Howard, as an advocate of Garden City movement, has heavily influenced Western planning thought after his publication, Garden Cities of Tomorrow: A Peaceful Path to Real Reform in 1902. Garden city intended to integrate the strengths of urban and rural areas, but the design of Garden city definitely segregated according to class and income at the neighborhood and block level. However, Lewis Mumford claimed that Howard was really concerned with balance and social mix (Mumford, 1968). In this case, social mix would be
present at the coarser level such as the town as a whole, rather than finer level such as neighborhood. After the war, many planners advocated residential social mix in response to the physical problems of central city due to the war time bombing.

Larger cities in the United States began to adopt zoning regulations in the early 1920s. The zoning system defined the allowed land use, residential density, setback, open space requirements, and other health and safety requirements. These zoning codes had acted as separating out new residential area from non residential activities, further non single family house. From 1940 to 1980, the suburbs produced neighborhoods with virtually identical housing types and densities, resulting in an economic stratification and racial segregation (Fleissig, 1998).

Contrary to suburban phenomena, central cities had experienced social problems, derived by concentration of low and minority population. Public housing was originally intended to provide decent and affordable accommodations for low income families for whom market rents were out of reach. However, by the end of the 1980s, public housing was widely recognized as a failure (Katz & Turner, 2008; Schwartz, 2006). The problems due to mass concentration of public housing included extreme racial and economic segregation and inadequate public services. Due to historical discrimination, deliberate neglect, and prejudice, public housing tenants suffered from racial and economic segregation from outside of the community. In addition, poor construction, inadequate management and maintenance, high crime and disorder in public housing aggravated the problem. The combination of intense poverty, physical deterioration, and social disorder called for a radical approach to revitalization of public housing policy in the US (Orlebeke, 2000). Responding to the failure of public housing, housing programs increasingly try to blend low-income households with more affluent neighbors.

Governments pursue income integration in two basic ways. One approach, called dispersal program, helps underprivileged public tenants and low-income households move into middle-income, often suburban neighbors. The other, called mixed income development puts households with varying levels of income within the same building or development (Schwartz, 2006). The HOPE VI (Housing Opportunities for People Everywhere) program can be also regarded as a typical example of social mix policy through demolition of dilapidated public
housing into mixed income developments.

3. Types of social mix policy

Social mix policy is introduced as a remedy for a social segregation and exclusion. In the course of searching new policy solutions to overcome the problems of large scale public housing concentration, the social mix policy has emerged as a new, fresh approach. Social mix in housing stems from social segregation of poor people living in concentrated public housing. Deprived populations living in poor environmental conditions on large-scale could be noticed continuously by policy makers. Greater concentration of disadvantaged households in public housing is stigmatized for a relatively long period of time and the vicious cycle might seem to continue if unless proper public intervention is implemented.

Social mix policy could be characterized into three groups: place-based programs, people-based programs, and regulations on new development. First, place-based programs tend to focus on regenerating the inner city. Specifically, these efforts often target the revitalization of distressed neighborhoods in which minorities and public housing are concentrated. Place-based programs are the most visible approach to achieve mixed community. One example is the HOPE VI program, which converts high density public housing complexes into low density mixed income developments. Second, people-based programs try to achieve mixed neighborhoods through dispersing poor residents into a wider geographic area. Compared to the place-based approach, the people-based approach is a less direct way of mixing people of different backgrounds since this approach is mostly dependent on residential choice of individuals. Example is mobility program in USA. Experimental MTO (Moving to Opportunity) and Gautreaux initiative, a court-ordered program to help desegregate public housing, gave decision making to individual households whether to move into even though there were restrictions in relocating. Finally, regulations on new development can be regarded as one type of social mix programs. Under this scheme, new developments should provide a certain portion of affordable housing or rental units for a predetermined period of time. A well known example is Inclusionary Zoning ordinance in several states.
4. Expected benefits of social mix

Several theoretical propositions serve as a foundation for social mix policy: role model effects, social network, and social control. The basic premise underlying support for social mix is the idea that mixed income communities ensue milieus that lead to positive change for disadvantaged residents through providing role models, facilitating social interaction, and rendering social control. In his seminal book, *The truly disadvantaged*, Wilson (1987) asserted the importance of middle-income, working families whose presence acts as role models. Wilson referred to those families as a social buffer that helps keep alive the importance of regular employment and education. Moreover, the presence of higher-income households could raise the level of social control through enhancing the level of accountability to social norms. Thus, a proper mix of different types of residents through mixture of housing tenure and/or income groups will provide a role model and social control for lower income households especially for their children who lack the proper role models since their parents struggle with unemployment and poverty. Living in close proximity will contribute to an increase in exposure to proper role models on a regular basis; facilitate social interaction among residents; influence neighboring residents’ perception, leading to change of their behavior in the end (Granovetter, 1973; Bandura, 1977; Briggs, 1997; Joseph, 2008).

Based on theoretical underpinning, expected benefits from social mix policy can be identified mainly on two levels: an individual level and a neighborhood level. For the individual level, the outcomes of social mix policy encompass improving living conditions, residential satisfaction, social contact and interaction, employment outcome, and children’s education attainment. For the neighborhood level, the expected outcomes from social mix program comprise deconcentrating poverty; lowering social exclusion or stigma, and subsequent enhancing neighborhood reputation (Arthursen, 2002; Cole & Goodchild, 2001; Katz et al., 2003; Sarkissian 1976; Tunstall & Fenton, 2006). In addition, provision of affordable housing could be added to another dimension of outcomes from social mix policy. It could be seen as a byproduct of implementing a social mix program since many social mix programs did not explicitly announce increasing affordable units as a goal. However, considering the fact that
many social mix programs involve urban regeneration mainly, but not necessarily, in public housing estates, sufficient provision of affordable housing is also critical to enhance the quality of life for the underprivileged. Based on theories and previous literature, three criteria, individual benefits, neighborhood outcomes, and supply of affordable housing, will be utilized to analyze the performance of three types of social mix programs: place-based, people-based, and regulation approach.

III. Experiences of social mix policy in USA

American housing and planning legislation since 1954 has emphasized social mix at the neighborhood level; some examples are The Rent Supplement Program in the 1964 Housing Act, the New Communities Act of 1968, and legislation in Fairfax County, Virginia in 1971. The Quality Housing and Work Responsibility Act of 1998 (QHWR) and Housing and Urban Development (HUD) regulation in 2000 have contributed to make neighborhood diverse in income distribution. While QHWR required that households with incomes below 30\% of the area median income (AMI) cannot account for more than 40\% of all new admissions into public housing, HUD demanded public housing authorities change their admissions to policies and practices so as to establish a mix of incomes within each building. Current national policy supports the intentional mixing of incomes and working status of residents on the grounds that it will promote the economic and social interaction of low-income families within the broader community, thereby providing greater opportunities for the upward mobility of such families (Smith, 2006).

1. Place-based approach

The federal HOPE (Housing Opportunities for People Everywhere) VI program is place-based approach of social mix program initiated in the early 1990s, which allows cities to apply for grants to redevelop their public housing estates. The HOPE VI program demolishes
public housing development and replaces them with lower density, mixed income units. Residents\(^2\) of the targeted housing development are given vouchers\(^3\) to relocate to temporary or permanent housing. Focusing on the most distressed public housing development, HUD allocated a total of $4.55 billion from 1993 to 2002 to demolish 78,000 units of public housing and to transform these projects into mixed income housing developments (Schwartz, 2006). The goal of these developments is to create a mixed income community that lacks the social problems of the prior public housing development.

HOPE VI program has accomplished its most basic goal: demolishing severely distressed housing units and replaced with new, high quality housing containing innovative design, management, and financing. In general, mixed income development offered more amenities, greater market appeal, and income-blind design features. In terms of individual level benefits, however, HOPE VI research showed that there was relatively little interaction between higher- and lower-income residents, and also the interactions that did occur were relatively superficial. In addition, study of short-term employment outcomes found no evidence that lower-income residents were more likely to find jobs as a result of living in a mixed-income housing development (Popkin et al., 2004). Similar outcomes echoed in Chicago where residential segregation is severe and place-based programs are active. In evaluating a prominent renewal scheme in Chicago, Rosenbaum et al. (1998) tested three propositions: whether there was increased social interaction between the low and moderate income groups; whether moderate income groups actively contributed to the support of management outcomes; and whether there

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2) The displaced families fall into three categories: (1) those who become residents of the economically integrated mixed-income development to replace dilapidated public housing; (2) those who move with housing vouchers into private sector housing; and (3) those who remain in traditional public housing.

3) Vouchers are seen as the most direct way to deal with the affordability problems of the poor since vouchers allow the recipients to decide where they will live in the private market. Using the voucher, eligible families find housing unit to meet their needs and program requirements that ensure the quality and rent level. The housing unit should pass the inspection that ensures the housing quality standards as well as the reasonable rent level which is at or below the Fair Market Rent (FMR) level that determined by HUD annually. Under the voucher program, voucher holders locate a suitable rental unit in the private market and generally pay 30% of their adjusted gross income for rent directly to the landlord. The voucher program subsidizes the remaining portion of the contract rent that is the difference between 30% of the tenant’s income and the FMR for the area (HUD, 2001).
was a positive effect on employment outcomes for low income tenants. While the project did succeed in attracting moderate income residents and broadly similar proportions of both groups participated in the maintenance and upkeep of the property, low income residents were less likely to interact with the moderate income group, and employment rates fell among both groups after moving in.

At the level of neighborhood, HOPE VI redevelopments contribute to reducing poverty, unemployment, and crime even though claims of causal link are not sufficient enough. For example, nationwide research on HOPE VI developments in 48 cities confirmed that the majority of relocates from HOPE VI program moved to neighborhoods that have lower poverty rates than those they left behind (Kingsley, Johnson, & Pettit, 2003)4). Evidence suggested that former residents have ended up in better neighborhoods: the average census tract poverty rate for those who receive vouchers dropped from 61 to 27% (Popkin et al., 2004).

Several issues have been derived by the implementation of social mix programs: reduction of affordable housing units, relocation of low-income households, and loss of social tie and supportive system. First of all, using redevelopment of large public housing to a smaller scale and mixed-income projects, HOPE VI development typically have fewer public housing units than the projects they replace. Only about half of the public housing units demolished under HOPE VI were replaced with new public housing. The 217 HOPE VI redevelopment grants involved the demolition of 94,500 public housing units from 193 through 2003, and were replaced by 95,100 units. However, only 48,800 of these new units can be considered equivalent to public housing necessary to support households with very low incomes (Schwartz, 2006). Plus, mainly due to the strict screening system, not all former residents were eligible to reside in the new housing that replaced the old. Residents who did not return their original neighborhoods faced financial challenges5). In addition, researchers criticized the loss of

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4) Percentage of relocates by the type of neighborhoods indicated that most of residents (91.5%) lived in neighborhoods where the poverty rates are at least over 30% before HOPE VI developments; while after development this figure decreased to 38.7%. In contrast, percentage of living in better neighborhoods with poverty rates below 10% has increased from 0.2% to 12.5% due to HOPE VI projects.

5) Almost 60% of residents who received a voucher said they had difficulty paying rent or utilities in the past year, and 52% of former tenants of public housing did not receive housing assistance (Popkin et al., 2004).
social ties and support systems due to the relocation of HOPE VI. Prior to relocation, residents had a network of friends and family and knew how to access supportive systems provided in their community. HOPE VI relocation is attributed to disrupt these social ties, leaving many feeling less secure, uncertain and isolated (Popkin et al., 2004).

In sum, place-based social mix program, transformation public housing, is both promising and controversial. On one hand, it provides an opportunity and the resources to improve the terrible living conditions of many public housing residents. On the other, these efforts stand to significantly reduce the number of permanent public housing units, disrupt the lives of residents at many sites, and cost millions of public money with little evidence that socially mixed communities achieve the favorable outcomes such as frequent interactions and role models effect.

2. People-based approach

Several poverty dispersal programs have been implemented in the US over the past several decades, beginning with the Gautreaux Program, which served as a model for people-based dispersal approach. The 1976 Gautreaux Demonstration was the first large-scale attempt at reversing a history of discriminatory housing practices (Rubinowitz & Rosenbaum, 2000). The Gautreaux program resulted from Supreme Court ruling, charged that Chicago Housing Authority had employed racially discriminatory policies in the administration of low-rent public housing program. As a result, between 1976 and 1998, over 7,000 African American families moved as part of the program, over half of them to suburban communities. After that a new round of the Gautreaux program began in 2002, until recently it has moved hundreds of families. With regard to individual benefits, both Gautreaux programs provide beneficial outcomes: female headed African Americans moving from Chicago’s housing projects to middle-class white suburbs secured better jobs for themselves and better schooling for their children than mothers placed by the program within Chicago’s city limits. However, the new Gautreaux fails to confirm the suburban advantages found in past one. In terms of criminal records of Gautreaux children, suburban placement helped boys but not girls (DeLuca,
Duncan, Keels, & Mendenhall, 2010)⁶. Nevertheless, latest research on new Gautreaux program revealed that families moved back into poor segregated neighborhoods because they felt social isolation, poor integration into new neighborhoods, distance from relatives, and children's negative reaction to the new neighborhood (Boyd, Edin, Clampet-Lundquist, & Duncan, 2010).

Gautreaux program endeavored to place families in low-poverty, racially integrated neighborhoods, however, about one-fifth of families were placed in high-poverty, and highly segregated neighborhoods due to the difficulties of finding neighborhoods that met these criteria. Since participating families had moved into better communities, their neighborhood conditions have significantly improved.

As a people-based approach, Moving to Opportunity (MTO) is a social experimental program to deconcentrate poverty. MTO program, first implemented in the early 1990s⁷, provided Section 8 vouchers to public housing residents so that they could move into low poverty areas. The goal of the program was to examine the impact of the new neighborhoods on the life chances of participants through an experimental design. Participants in the MTO demonstration were randomly assigned to three different situations: an experimental group that received vouchers, counseling, and had to move to neighborhoods with less than 10% poverty; a comparison group that just received vouchers; and a control group that remained in public housing (Orr et al., 2003).

As Orr et al. (2003) argued, MTO revealed mixed results. At the individual level, researchers found that participants in the experimental group showed significantly higher levels of satisfaction with their housing and neighborhoods than did members in the Section 8 and the public housing control groups⁸. Above all, participants expressed a much greater sense of

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⁶ Analyzing administrative data on the criminal justice system revealed that placement in low poverty or suburban neighborhoods was associated with much less criminal involvement, primarily for drug offenses for males. There was a 42% drop in odds of being arrested and a 52% drop of being convicted for a drug offense.

⁷ MTO enrolled more than 4,600 low-income families in five metropolitan areas—Baltimore, Boston, Chicago, Los Angeles, and New York—between 1994 and 1998. Most of the participants were racial or ethnic minorities and all of whom were living in inner-city HUD assisted housing projects.
safety. However, the study did not find consistently strong effects in education, employment, and criminal activity. MTO had a minor effect on educational outcomes for girls, but no effects were found on employment (Orr et al., 2003). Like the Gautreaux program, MTO also had some restrictions where to move, so it might not be relevant to evaluate the degree of improving neighborhood conditions.

The people-based poverty dispersal program gives people a chance to choose their neighborhoods. It shows positive effect on the quality of housing conditions and neighborhood overall while it does not provide any convincing evidence of employment, education, and crime effect. The percentage of residents relocating into low poverty areas is relatively small in order to keep the program politically viable, so the number of residents who actually have a choice about where to live is limited (Galster et al., 2003). Another concern is neighborhood resistance. The MTO program faced serious obstacles with receiving neighborhoods where voucher holders were trying to move. Baltimore controversy generated considerable issues, impacting negative influence of further funding of experimental program (Keating, Krumholz, & Star, 1996).

Even though MTO has a stronger research design than Gautreaux, it creates rather modest changes in neighborhoods. Compared with Gautreaux, MTO movers made short distance moves and placed them in neighborhoods with higher poverty, larger minority populations, worse schools, and lower employment rates. These differences might explain why Gautreaux found larger impact on education and employment outcomes (Rosenbaum & Zuberi, 2010).

3. Regulations on new developments

When it comes to new developments, inclusionary zoning can be seen as an attempt to achieve social mix in neighborhoods. Inclusionary zoning is a municipal or county planning ordinance that requires a given share of new construction should be affordable to those who

8) By the time of interim evaluation, 60% of the experimental group families were still in census tracts with poverty rates below 20%, while 30% of the comparison group and 17% of control group families were in such tracts.
have low to moderate incomes. It has been introduced to correct the problems of traditional zoning, characterized as exclusionary zoning, which tend to exclude affordable housing from a municipality through zoning code. Since inclusionary zoning efforts incorporate affordable housing into at or above market rate housing in proximity, neighborhoods developed by inclusionary zoning eventually include different level of incomes and housing tenures in the same geographic area. Providing affordable housing through inclusionary zoning practices has been implemented for the last four decades in various jurisdictions in the United States. Places where housing prices are high have usually adopted inclusionary zoning due to excessive demand for below market rate housing. California, New Jersey, and Massachusetts are well known places for inclusionary zoning. The earliest and successful inclusionary zoning traces back to Montgomery County, Maryland: the Moderately Priced Dwelling Unit (MPDU) ordinance of 1974. As of 2004, about 600 mostly suburban communities had implemented some form of inclusionary zoning (Porter, 2004).

Inclusionary housing programs vary along their types, scopes, incentives, and cost-offsets for developers. First of all, inclusionary zoning can be either voluntary or mandatory. Voluntary programs encourage affordable housing set-asides, while mandatory programs require developers to set aside specific portion of affordable housing. One of the key components is set-aside percentage and target group. In general, they are related inversely: the deeper the income targeting, the lower the set-aside requirement. In California, the percentage of affordable housing is from 4 to 35%, on an average of 13%. Almost half of jurisdictions require at least 15% set-aside. Another important aspect of mandatory programs is the thresholds, the minimum project size above which inclusionary requirements become available. It varies from as low as 1 to as high as 50, as in Montgomery County. In addition, the affordability period ensures that new affordable housing stays affordable. It ranges from at least 10 years to perpetuity with the median length for rental housing 42 years (California Coalition for Rural Housing and Non-Profit Housing Association of Northern California, 2007).

To make inclusionary zoning requirement revenue-neutral and politically acceptable, most local governments provide incentive for developers. Over 90 percent of local governments in California offer density bonuses as a cost-offset strategy. In addition, other forms of in-
centives are utilized such as expedited permits and approval, relaxed design standard, fee-waivers, subsidies for affordable housing, and fee-reductions ("Can Inclusionary Zoning," 2008).

Contrary to HOPE VI which transformed existing neighborhood, inclusionary zoning is applied when new housing developments happen. Even though inclusionary zoning program does not explicitly assert to achieve social mix in neighborhoods, through providing low to moderate priced housing, it will eventually contribute to make neighborhoods diverse in terms of housing tenure and/or income level. Many studies of inclusionary zoning focused on the capacity of providing affordable housing and market impact. As far as affordable housing is concerned, inclusionary practice ranks among the most popular means of producing affordable housing. It generates low and moderate income housing with little public expenditure and it also increases economic diversity within affluent communities. Inclusionary zoning programs have produced 80,000 to 90,000 new housing units nationally, with about 65,000 located in states that mandated provision of affordable housing (Porter, 2004). Units produced by inclusionary zoning seem to be relatively small, roughly less than 5% of total housing production over the past 25 years in both the Washington DC and San Francisco areas (Schuetz, Meltzer, & Been, 2007). However, considering the least amount of public expenditure on this program, this is not a negligible achievement. Another study indicated that the inclusionary zoning program produced approximately half of the county’s total affordable housing production in Montgomery County ("Can Inclusionary Zoning," 2008). One of the most persuasive arguments on the accomplishments is David Rusk’s estimation. He claimed that if the largest 100 metropolitan areas in the United States had implemented a mandatory inclusionary zoning set aside of 15% for the past 20 years, they would have benefited from 2.6 million additional units of affordable housing (Rusk, 2005).

The sales prices of market rate housing are another indicator of neighborhood popularity in economic sense. There are plenty of studies in the United States. Evidence suggest that private property values are not significantly affected by mixed-income housing or subsidized housing (Galster, Tatian, & Pettit, 2004; Santiago, Galster, & Tatian, 2001; Schuetz, Meltzer, & Been, 2007; Ellen, Schwartz, Voicu, & Schill, 2007). In some cases, subsidized housing
had a negative effect on nearby housing price (Lee, Culhane, & Wachter, 1999) while in many cases rental housing in mixed development affected neighboring housing price in a positive way or, at least, no significant negative impact.

As shown above, inclusionary zoning programs might be less successful to produce as much affordable housing as they could. Perhaps the most fundamental caveat is the dependency of inclusionary zoning on the local and regional housing markets. The amount of affordable housing produced through inclusionary zoning is directly tied to the volume of market-rate residential construction. Inclusionary zoning can be highly effective in communities with robust housing markets so this program produces more affordable housing in peak periods of housing development and much less during slow times.

In sum, Table 1 shows the summary of achievements from social mix policy. Three types of social mix approaches are place-based, people-based and regulation approach. In each program, three criteria are reviewed: individual benefits, neighborhood outcomes, and supply of affordable housing. With regard to place-based approach, the most prominent achievement is neighborhood benefits and physical improvement of housing units. Poverty rates, unemployment, and crime were reduced in neighborhoods where low-income households reside. Due to new development, living conditions improve also. However, at the individual level, little interactions between different income groups were reported and employment outcomes were not significant enough to claim causal links. Furthermore, new environments were attributable to loss of social ties and support system which are crucial for low income households to better off. The HOPE VI program is criticized by the reduction of affordable housing units.

Second, people-based approach tries to disperse low income families into more affluent, less segregated communities usually located in suburban areas. The Gautreaux program showed better jobs, educational outcomes, and less crime records. Neighborhood environments were also improved through reducing poverty and mitigating racial segregation. MTO experiments participants satisfied their living conditions and reported better sense of safety while other benefits are not significant such as educational achievements, employment, and crime. In addition, MTO faced neighborhood resistance.

Third, the regulation approach on new development significantly contributes to production
of affordable housing. However, the volume of affordable housing is dependent upon market conditions and characteristics of inclusionary zoning. Individual and neighborhood level benefits are not well documented since the inclusionary zoning focuses on supply of housing for low and moderate income households. However, the mix of affordable housing and market-rate housing in the same neighborhood is seen as beneficial.

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<tr>
<th>Social mix approach</th>
<th>programs</th>
<th>Individual benefits</th>
<th>Neighborhood benefits</th>
<th>Affordable housing supply</th>
</tr>
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<tbody>
<tr>
<td>Place-based approach</td>
<td>HOPE VI Mixed income development</td>
<td>High quality housing, satisfaction</td>
<td>Reducing poverty, unemployment, crime</td>
<td>Physical improvement Income-blind design</td>
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<td></td>
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<td>No employment outcomes</td>
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<td>Reduction of affordable housing units</td>
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<td>Little social interaction</td>
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<td>Loss of social ties and support system</td>
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<tr>
<td>People-based approach</td>
<td>Gautreaux</td>
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<td>Reducing poverty, racial segregation</td>
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<td></td>
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<td>Social isolation, poor integration</td>
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<td>No strong effects on education, employment, crime</td>
<td>Neighborhood resistance</td>
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<td>Regulations on new development</td>
<td>Inclusionary zoning</td>
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<td>Successful in providing affordable housing</td>
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<td>Dependent on market conditions</td>
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IV. Commonality of social mix experiences in both countries

The United States put relatively more emphasis on the people-based approach and income
mix, while Korea focuses more on the place-based approach and housing tenure mix. Since the 1970s, housing policies in the United States could be characterized by a turn away from the direct provision of large scale public housing by government and a turn towards indirect subsidies of low-income families using market mechanisms (Schwartz, 2006; Katz & Turner, 2008; Grigsby & Bourassa, 2004). In doing so, the people-based approach has gained popularity through giving a choice to individuals and households of need by attempting to make neighborhoods economically diverse. Contrarily, the place-based approach is prevalent in Korea through urban redevelopment and residential environment improvement as well as regulation approach enforcing to provide certain share of public housing.

Several similarities have been witnessed in social mix programs and experiences in Korea and the United States. The place-based approach in both countries has close similarities in program design and limitations. Redevelopment programs in Korea is an equivalent counterpart of the HOPE VI program in USA: both programs intend to transform dilapidated residential areas where the majority of residents are low income; most projects are placed in inner cities; the former residents of targeted places were given the right to return or a residential subsidy even though the form and longevity of subsidies are considerably different from each other. Interestingly, a sharp contrast has occurred in physical change: redevelopments in Korea have transformed low density and single family dominant areas into high density and multifamily residence while the opposite has been true for the HOPE VI program.

Contrary to the way of transforming physical outset, there have been striking resemblances in terms of limitations in place-based approach: a low rate of returnees and reduction of affordable housing for low income households. While statistics (MLTM, 2010) show that redevelopment projects in Korea have substantially contributed to an increase in public housing, which is defined as the housing constructed through public funding and maintained by public sector. This is paradoxical since residential areas targeting for redevelopment were usually owned by individual households, so housing in these sites could not be counted as public

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9) Since there is no equivalent counterpart of people-based program in Korea, the discussion in this section is limited to other two types of social mix programs: place-based approach and regulations on new development.
housing; however, due to low rent levels, this housing served as the last resort for the very low income households. As is the case in the HOPE VI program, the volume of public housing after redevelopment is usually not enough to serve all those who used to live and want to return to their original neighborhood. In addition to the limited volume of public housing, housing price escalation in new developments excludes most of the local former residents due to their affordability. Displacement of former residents has been criticized as serious pitfalls. As a result, redevelopment program is attributable to the disruption of social network, unemployment, and recreation of social isolation for the vulnerable housing poor (Ha, 2007; Bae et al., 2005).

Meanwhile, the Korean government has implemented a regulation approach to achieve social mix in apartment complexes by requiring developers to provide a certain share of rental housing in new developments. Depending on the types of projects, the requirements for public housing vary: 17% for redevelopment projects, up to 50% for public housing construction projects which are the dominant way of public housing provision since inception. As is the case of U.S., it is not uncommon in Korea that local jurisdictions and neighborhoods have opposed to placing public housing complexes within their reach mainly due to concerns over the possibility of detrimental effects of public housing on nearby property values.\(^\text{10}\)

V. Issues and implications

1. Issues and reasons

Why unexpected outcomes happened? Efforts to achieve social mix in neighborhoods have revealed several issues to address. Issues associated with social mix policy are involved in di-

\(^{10}\) Empirical research tends to support the residents’ worry with little exception. The majority of study confirmed that housing prices were negatively associated with the nearby rental housing in social mix developments (Kim, 2008; Lee & Koo, 2008; Woo, 2005). However, a study found that the impact was not necessarily linear so the relationship was positive in close proximity such as within a 500 meter radius, and then turned negative as the distance increased (Hong, 2006).
verse aspects ranging from low rate of returnees, reduction of public housing, low level of social interaction, neighborhood resistance, to discrepancy of expectations between planners and residents.

In the case of a place-based approach, researchers pointed out the low rate of returnees, reduction of public housing stock, and less frequent social interaction than expected. First, one issue related to the HOPE VI program is whether the original tenants would return to the new mixed-income housing. Studies revealed that only a relatively small number of residents had moved into new housing, varying from less than 10% to 75%; while government expected 46% of residents to return on average (Buron et al., 2002; Holin et al., 2003; Popkin et al., 2004). There are numerous reasons that original residents do not return. First of all, the low level of return is partly by design itself: most HOPE VI sites built fewer public housing units than they demolished. Other reasons relate to personal preferences; however, regulations on eligibility contribute as well. Former tenants of public housing decided not to come back since they are happy with their new housing, do not want to move again, and simply distrust promises that the new housing will really be better. However, former residents could not move back due to the strict screening criteria requiring employment history, no criminal records, and no history of delinquency of paying bills as well11). Often, long periods of time delay between demolition and completion of the new developments are associated with low rates of return (Popkin, 2010).

Second, the HOPE VI program resulted in public housing reduction due to the elimination of a one-for-one replacement requirement. Enforced by the Housing Act to ensure the quality and supply of public housing, this provision mandated that one unit of substandard housing should be eliminated for each unit of public housing constructed (Schill & Wachter, 1995). However, there was concern that the one-for-one replacement requirement was a substantial obstacle to the demolition of highly distressed public housing so the repeal of this provision

11) Chicago Housing Authority (CHA) requires tenants to meet the criteria for moving into the new mixed-income developments. Under the CHA’s minimum tenant selection plan, families must be up to date on their rent and utilities, have no outstanding debts or lease violations, pass a three-year criminal background check, provide documents that all children are attending school on a regular base, and require that all household members over the age of 18 must be employed at least 30 hours a week (Popkin, 2010).
was regarded as a necessary step for the HOPE VI program to go forward (Tegeler, 2005).

Third, infrequent social interaction undermines the weights of mixing different groups of residents in proximity. Research efforts did not provide consistent evidence supporting the social interaction, social control, and role model effects; so there have been efforts in an attempt to identify the factors curtailing active social interaction. For example, a study in the case of Seattle indicated several factors influencing the interaction among residents: proximity within the development, community events, and the presence of children in the household. Differences in socioeconomic background including language and family composition impede social interaction between households of different incomes and housing tenures (Kleit, 2005). HOPE VI residents’ tracking study including eight sites across the United States revealed similar results and causes of low level social interaction (Buron et al., 2002). About half of residents reported having social connections in their current neighborhood, but the levels were low overall. The low levels of interaction were associated with a lack of opportunity, language or cultural barriers, and personal preferences for keeping social distance from neighbors. Another research, case study of mixed-income developments in Chicago, also confirmed similar findings: lack of social interaction across income levels. Joseph (2008) examined the reasons in several aspects from physical design to lack of common interests. Minimal shared public space did not provide a chance of interacting. Further, resident meetings, associations, common interests and shared needs would function in bringing residents together as a catalyst for social interaction. Plus, homeowners expressed unease living with former public housing residents in close proximity.

Fourth, unexpected outcomes in the people-based approach revealed the discrepancy between policy makers and beneficiaries. In order to answer the unexpected positive outcomes of the social experiments, researchers traced MTO families’ experiences in detail (Briggs, Popkin, & Goering, 2010). The findings discovered the disparity between planners’ ideal expectation and families’ desperate needs. Unexpected positive outcomes on sense of security and safety would be explained by the primary motives of MTO participants who wished to escape their former public housing to be safe, not to get better education or job opportunities. However, planners of the program expected that moving to opportunity neighborhoods that
have lower poverty rates would give participants chances of living better in terms of housing, education, and employment. Rather, the poorest vulnerable families have basic needs to live in a safe place that is free from drug-related crime, gang activity, and sexual harassment.

Besides, kin-centered communities played a pivotal role in not only organizing social life around MTO families but also pulling them back to high poverty neighborhoods. Only a few successfully form social relationships in new neighborhoods while most of MTO families find their major relationship with their relatives who tend to live in distressed neighborhoods where the MTO families left behind. Hence, any benefits gained by living in safer communities can be quickly lost once MTO families return to those distressed neighborhoods. In this regard, researchers took the kin-oriented relationship as a mixed blessing at best (Briggs, Popkin, & Goering, 2010). Therefore, different motives and expectations between planners and vulnerable families explain the unexpected positive outcomes of security and low performance of other personal benefits while kin-oriented relationships are attributable to hardships in building social interaction and new relationships in opportunity neighborhoods.

Finally, concerns on receiving neighborhoods are still remaining. An injection of new poor residents would increase the social maladies in the receiving communities. Moreover, this would stigmatize those neighborhoods and would lead to the withdrawal of capital and physical deterioration (Kingsley, Johnson, & Pettit, 2003; Schill & Wachter, 1995).

Individuals have often resisted building a mixed community. Personal preferences increase the segregation because people would like to live with others who have similar backgrounds. Residents can reinforce their identity through shared values, in some instances by adopting a NIMBY (Not-In-My-Back-Yard) behavior to keep a distance from the underprivileged. Often, it is criticized as a selfish reaction (Ha, 2008), but in some sense it is understandable as the concept of home voter. Fischel (2001) argued that the most liberal people seem to turn very conservative when it comes to defending their homes. Homes are usually immovable, implying that they are linked to the fate of their neighborhoods. Because the house is typically the single biggest asset of the household, people are fearful to lower the property value by introducing public housing in their neighborhoods. The result is to vote in local elections in the interest of own home. As indicated, however, introducing housing for low income families
has a negative effect in some instances, but sometimes this is not always the case.

2. Implications

Achievements and issues from US social mix policy place an emphasis on the government’s role, understanding residents’ needs, and the importance of design and shared interests. First, experience in the United States stresses the importance of government’s role and careful implementation of regulation that could affect the program performance and the quality of life for the vulnerable poor. As shown in HOPE VI program, there was a substantial reduction of public housing through a place-based approach. Eliminating regulation of the one-for-one replacement requirement in 1995 seems inevitable to make the project-based program feasible; however, it resulted in unintended consequences of a significant loss of public housing units for whose housing needs are hard to be met in the private market. Despite the intention of providing the opportunity for some public housing residents to return to their neighborhoods of origin, in some cases the volume of units reserved for the former tenants is inevitably fewer than the original. Moreover, stringent screening criteria make the former residents hard to return. Local housing authorities utilize the criteria as a way of ensuring housing quality and residential stability, but the practices ensure excluding the underprivileged from new housing units equipped for safety and quality. In this light, the government should acknowledge the limitation and potential of implementing new regulations that will be either deleted or enforced.

Second, policy makers should make clear policy goals and expectations for the social mix program that they undertake. The people-based approach in US signifies the importance of clear policy goals that reflect the needs of target population. MTO experiments demonstrate the gap between policy makers’ expectations and poor residents’ basic needs. Program planners expected that relocating better neighborhoods would give residents opportunity to access jobs and schools; this is the typical example of planners’ expectation, which is apart from reality. For participating families, opportunity means living out of fear, violence, and threat to death.
Regarding this issue, policy makers in Korea should clarify the policy goals and target populations who would benefit from the social mix programs. At the same time, identifying the needs of a target group should be considered to set the policy goals. To make the program successful, planners should take into account how social mix programs serve to improve the future and quality of life for the poor, rather than merely focus on how many public housing was delivered through the program.

Third, research efforts commonly stressed the importance of physical integration to facilitate social interaction among residents with different socioeconomic backgrounds. It is recommended to deliver careful consideration of physical design: the avoidance of characteristics that would make the units of residents with different income levels distinguishable from the outside; the incorporation of comfortable and accessible shared space such as hallways and pedestrian ways; the creation of common civic space such as open space and community center.

Finally, another notable aspect of facilitating interaction relates to common interests and events across different residents. Proximity in physical space does not necessarily decrease social distance among residents who have different socioeconomic backgrounds. As Gans (1968) noted, policies which seek to change the physical environment have little impact on the behavioral patterns and values of people. However, good local services to serve different social groups can be a key strategy to promote social interaction to some degree. This is particularly true for services that address children’s needs, since they tend to interact and establish friendships regardless of households’ social status. Existing research consistently suggested the need of venues for bringing residents into the same place and providing an opportunity for repeated interaction and relationship building (Buron et al., 2002; Kleit, 2005; Joseph, 2008). The formation of resident organizations based on local school, day care centers, and recreational facilities could be means of building common interests and bonds. These institutions should contain members of different housing tenure. Participating in community activities and being a member of community organizations can serve as a basis for connecting residents across income and tenure.
VI. Conclusion

No policy can be flawless. Social mix programs focused either on place-based or on people-based program have their own strengths and weaknesses. Place-based and people-based strategies are not mutually exclusive, rather they complement each other. The improvement of places is a necessary remedy for the lives of those who have been denied resources. At the same time, people-based strategy offers choices to the poor that the middle class already has. As MTO program demonstrates, it assists poor families to move into integrated and low poverty neighborhoods. Despite the fact that competition for declining resources too often pits advocates of one approach against the other, both approaches are all needed considering the magnitude of the problem and different benefits for the poor (Denton, 2006).

For the places where social segregation becomes serious and the underprivileged are concentrated, social mix programs focusing on the place-based approach is more relevant to tackle the problem derived from poverty concentration. It is noteworthy that a sufficient amount of public housing for the former residents enough to relocate the regeneration sites should be provided. For newly developed places, government regulations to mandate certain portion of below-market rate housing would work better to make neighborhoods mixed. In this case, there must be incentives or cost-offset measures to get satisfactory production of affordable housing and to avoid being sued by the developers. The United States experiences, both from MTO and HOPE VI programs, imply differentiated approaches for different income groups or different needs. It could yield more favorable consequences: the place-based approach for the very low-income families and for desperate need families, while the people-based approach for the next bracket of low-income families in conjunction with counseling and education for both approaches.

Even if social mix policy is not a silver bullet to address deep-rooted problems of poverty and segregation, there is little question that housing in mixed communities can provide an important platform for addressing social, economic and health inequalities over a longer period of time, especially for children. The evidence to date on the impacts of social mix policy are still mixed; however, scrutinizing experiences of antecedents gives lessons for those who
plan to initiate similar practices. This research is appropriate considering the timing specifically when the Korean government has a plan to implement people-based programs in the near future.

References


국문요약

사회통합 정책: 미국의 경험

주택분야에서의 사회통합 (social mix) 개념은 19세기 후반에 등장하여 20세기, 21세기 를 거치며 여러 나라에서 적용되며 발전해 왔다. 본 연구는 사회통합정책의 기원 및 개념, 종류, 달성하고자 하는 목적 및 문제점을 미국의 사례를 통해 살펴보았다. 저자는 사회통합정책을 크게 세가지로 구분하고 (지역중심 접근, 주민중심 접근, 그리고 신규개발 방식), 개인차원, 지역사회차원, 저렴한 주택 공급능력이라는 기준을 통해 각각의 접근방식을 평가하였다. 지역중심 접근은 지역사회의 주거환경개선에 기여하고, 주민중심 접근은 개개인의 주거만족도를 증진시키며 신규개발 접근방식은 저렴 주택공급에서 우위를 점하는 것으로 나타났다. 반면 상이한 소득계층간 소통 부족문제, 사회적 관계망 형성 부족, 임대주택 제고 감소, 낮은 원주민 재정착률, 지역사회의 밀집 등의 문제점이 지적되었고 이러한 문제는 한국에서의 경험과도 크게 상이하지 않을음을 알 수 있었다. 이러한 문제의 근저에는 사업환경화를 위한 정부의 규제완화, 까다로운 입주자 선정기준, 소통의 장이 될 수 있는 불리적 공간 및 공동관리자 부족, 그리고 정책 일관성과 정책 수혜자 간의 다른 기대수준이 차려졌고 있었다. 이를 바탕으로 한국 사회통합 정책에 대한 시사점을 제시하였다.