

Can Housing Policy be Good Education Policy?

BY HEATHER SCHWARTZ

For most children in the U.S., where you live determines where you go to school. This remains true in spite of the expansion over the past 30 years of school choice options like interdistrict choice programs, charter schools, magnet schools, distance learning programs, and school vouchers. As of the 2008–2009 school year, 11 percent of children went to private schools, approximately three percent of U.S. public school students attended charter schools, and another five percent attended magnet schools.¹

Only one percent of public school students enrolled in different school districts through interdistrict choice programs, even though 46 percent of school districts reported offering such a program.² Even when districts eschew school residential attendance zones in favor of within-district choice programs (such as in New York City), the sorting of students, teachers, and administrators across school districts means that public schools in struggling districts differ substantially from those in neighboring affluent districts.

Housing and zoning policies are therefore de facto school policies precisely because home residence is the way most children gain access to schools. A recent national study confirms that so-called exclusionary zoning (i.e., zoning laws that yield low-density housing) increases the likelihood that low-income households are priced out of homes located in neighborhoods with high-scoring schools.³

Recognizing the connection between housing and schools, HUD has championed the use of “housing as a platform” to give access to high-quality schools. But, so far, the evidence has not yielded promising results for such an approach. In New York City, for example, federal housing voucher recipients—who can theoretically lease any home within a specified price cap with their voucher—were zoned as of 2008–2009 to schools with math and reading proficiency rates about 20 percent lower than average schools in the already low-performing district.⁴

Placing affordable housing in low-poverty neighborhoods is important because high-performing schools are most often low-poverty schools. Approximately half of students in high-poverty schools fail the National Assessment of Educational Progress (NAEP), compared to fewer than one in five students in low-poverty schools.⁵ Furthermore, the academic performance gap between children from the top and bottom 10 percent of household incomes has doubled over the last 55 years, which poses a daunting challenge for schools trying to raise low-income student achievement. The concentration of low-income children within a school adds layers of challenges since it is harder to attract and retain well-prepared teachers and administrators, and also to maintain high rates of parental involvement. Rapid turnover in staffing and students undermines stability and trust-building within high-poverty schools, and students’ low performance fuels a rapid succession of reforms as schools scramble to raise achievement.

In light of the considerable challenges that high-poverty schools face, housing policies that provide disadvantaged students with access to low-poverty schools is a promising approach to raising student achievement. Yet the experiences of HUD-assisted housing programs demonstrate that it is hard to provide disadvantaged households long-term access to low-poverty neighborhoods, let alone ones with high-performing schools. As I argue in the remainder of this article, inclusionary zoning—which is a voluntary, locally-adopted zoning policy designed for high-cost housing markets—stands out as one appealing policy alternative that may help narrow the economic achievement gap.

What is Inclusionary Zoning?

Inclusionary zoning (IZ) is a land use policy that allows lower- and moderate-income households to live in middle- and upper-income communities. Generally, it is “inclusionary” because the policy either mandates or encourages real estate developers to incorporate into their market-rate developments a proportion of homes that are sold or rented at below-market prices. Jurisdictions then offset the financial loss to developers by allowing them to increase the overall size of a development or by providing other zoning variances. Since jurisdictions voluntarily adopt and design their own IZ policies, there is substantial diversity among IZ programs.

Inclusionary zoning policies typically stimulate the production of anywhere from dozens to hundreds of IZ homes per jurisdiction. More than 500 localities in the United States have adopted IZ policies in some form, producing approximately 129,000 to 150,000 IZ units nationally. Most of these are in California, New Jersey, Maryland, and the Washington, D.C. metropolitan area.

An Example of Inclusionary Zoning

The largest and oldest continuously operating IZ program is located in Montgomery County, Maryland, which abuts Washington, D.C. Since the county’s inception, its median household income has ranked among the top 10 counties within the U.S. Its current median household income is \$93,373, which is almost double the national level of \$51,914.

Montgomery County adopted its IZ program in 1974 against the backdrop of a rapidly heating housing market that was pricing out lower-wage workers. In essence, the county’s IZ program introduced small numbers of affordable homes into market-rate developments, inducing some degree of economic integration into an otherwise non-poor setting. All told, the program has generated about 13,000 affordable homes since the 1970s, which are dispersed wherever new construction occurs within the county.

What is especially unusual about the program is Montgomery County’s public housing authority has the right to purchase up to one-third of the inclusionary zoning homes in any given subdivision. For example, if 15 homes in a 100-unit subdivision must be set aside for IZ, the housing authority may elect to purchase 5 of those 15 homes. To date, the housing authority operates a little over 700 IZ homes for federally-subsidized public housing residents. Beyond the IZ program, the housing authority also owns five developments with 300 homes in which 100 percent of the apartments are leased to public housing residents.

Because the housing authority randomly assigns families to its almost 1,000 public housing homes, and because virtually all of the county’s 131 elementary schools have neighborhood-based attendance zones, children in the county’s public housing are assigned randomly to their elementary schools via the public housing placement process.

As shown in Figure 1, Montgomery County public housing students who attended low-poverty schools (0-20% of students qualified for a free or reduced-price meal) realized cumulative gains in math relative to public housing students who attended the county's moderate-poverty schools (approximately 20-85% of students qualified for a free or reduced-price meal). By the end of elementary school, public housing children in the low-poverty schools performed an average of eight normal curve equivalent (NCE) points higher (0.4 sd) than public housing children enrolled in moderate-poverty schools. Even more importantly, public housing students in the county's low-poverty schools were catching up to their average nonpoor district-mates over the course of elementary school. The math achievement gap between public housing students and their district-mates halved from an initial disparity of 17 points at the outset of elementary school to 8 points by the end of elementary school.

Inclusionary Zoning Elsewhere

So could IZ work anywhere? The positive effects of giving low-income children access to low-poverty schools in Montgomery County might hold for other jurisdictions if their IZ programs were to offer similar access to low-poverty schools. In aggregate, data from 10 more of the 50 largest IZ programs in the U.S. verify some central assumptions about the social inclusiveness of IZ policies: namely, that they provide lower-income families with access to low-poverty neighborhoods and residentially assign them to relatively low-poverty and high-performing schools.

A closer look, however, reveals that these IZ homes in other localities—particularly in urban localities—do not always obtain Montgomery County's extensive degree of integration. Six of

the 11 IZ programs I examined exclusively served low-income households, while the other five primarily served low-income households, but reserved a portion of units for households earning higher incomes. The IZ policies also predominately serve owners rather than renters. Seventy-eight percent of the IZ homes in the 11 jurisdictions were for sale, and only one of the IZ programs exclusively operated a rental program. This distribution is primarily a reflection of the common requirement that IZ units share the tenure of the market-rate homes within the same subdivision.

As in Montgomery County, the IZ homes in the other 10 cities and counties are widely dispersed throughout the jurisdictions. That is, IZ homes were located in one out of every ten census block groups in all 11 localities, and they were residentially assigned to one in four elementary schools in the 11 jurisdictions. This is important, since one concern about the provision of affordable housing is the potential clustering of low-income families into what can thereby become high-poverty neighborhoods zoned into high-poverty schools.

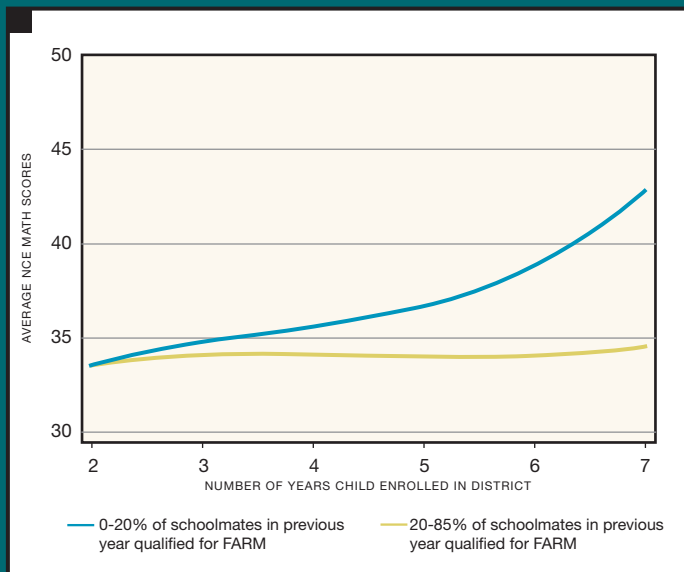
Across the 11 localities, a large majority of IZ homes (75 percent) are located in low-poverty neighborhoods where 0-10 percent of households have incomes below the federal poverty line. The typical IZ unit is located in a census block group (or tract) where seven percent of households lived in poverty as of 2005-2009. This is lower than the average poverty rate among the census block groups without IZ homes in the same jurisdictions (16 percent) and the typical U.S. census block group nationally for the same years (14 percent). However, as shown in Figure 2, the percentage of IZ homes in low-poverty neighborhoods varied substantially across the 11 localities.

In suburban localities like Davidson, Fairfax County, Irvine, and Montgomery County, the majority of IZ units were in low-poverty neighborhoods, while in several of the urban IZ programs, such as Cambridge, Chicago, Denver, Santa Fe, and Santa Monica, a large share of the IZ units were located in neighborhoods with moderate poverty rates (i.e., 10 to 30 percent). Very few IZ homes (3 percent) were in high-poverty neighborhoods where 30 percent or more of the households lived in poverty, which is notable since 17 percent of the block groups across the 11 jurisdictions were high-poverty neighborhoods.

Looking beyond poverty, the typical IZ unit is located in a neighborhood where, according to 2005-2009 Census data, the vast majority of adults of working age were employed (94 percent), the majority of adults aged 25 and older had a college degree, and more than half of the neighborhood population (57 percent) was white. With a few exceptions, IZ neighborhoods did not differ statistically from their non-IZ counterparts in terms of income, education levels, or racial composition.

Almost one half of the IZ homes (44 percent) are residentially assigned to low-poverty schools where 0-20% of students qualified for a free or reduced-price meal. IZ homes also were assigned to schools performing slightly above average within their state. On average, IZ units were located in attendance zones of public schools performing in the third quintile, or the 40th to 60th percentile, in their state. This was slightly bet-

FIGURE 1. Effect of Low-Poverty Schools on the Math Scores of Children in Public Housing



Farm: Free or reduced price meal

ter than the average performance of schools to which no IZ units were assigned; non-IZ schools performed at an average of the 20th to 40th percentile within their state. As with neighborhood poverty levels, there was substantial variation in school quality across the 11 localities but much less variation within them (see Figure 3).

In sum, then, the IZ policies in these 11 localities seem to be operating as intended, providing low-income children access to low-poverty neighborhoods and schools. In contrast to Montgomery County, however, the magnitude of change to which many of these children are exposed is not as dramatic. It remains to be seen, therefore, how much the typical IZ policy will alter children's achievement trajectories. But the experience of Montgomery suggests that when secure access to high-quality low-poverty schools is achieved, the results can be very promising.

Conclusion

Statistics from the 11 counties and cities reveal that, overall, the IZ policies studied provide access to low-poverty schools and neighborhoods—something other affordable housing policies have struggled to achieve. In providing that access, the IZ policies offer the potential to raise low-income student achievement.

Inclusionary zoning is a policy that pertains to higher-cost housing markets, and is not relevant for all localities. As such, it is not a silver bullet. Instead, the inclusion of affordable housing within higher-performing schools' attendance zones is one of many policies that are needed to improve disadvantaged children's academic performance. But IZ policies promise to be a piece of the policy portfolio for closing the achievement gap.

FIGURE 2. Percentage of IZ Units Located in Low-Poverty Neighborhoods, 2005–2009

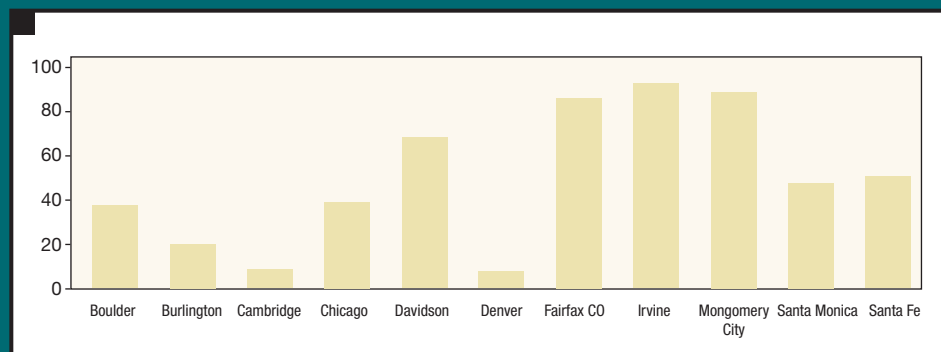
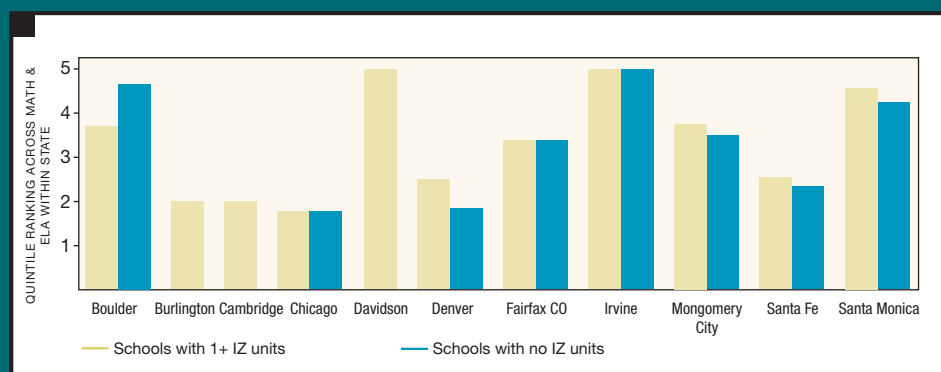


FIGURE 3. Rankings of Elementary Schools to Which IZ Units Were and Were Not Zoned



Heather Schwartz is a Full Policy Researcher in the RAND Corporation's New Orleans office. This article is adapted from her report *Is Inclusionary Zoning Inclusionary?: A Guide for Practitioners*, published in 2012 by the RAND Corporation and funded by the MacArthur Foundation. The Montgomery County results are adapted from her chapter "Housing Policy is School Policy" in Kahlenberg (ed.) *The Future of School Integration: Socioeconomic Diversity as an Education Reform Strategy*. New York: Century Foundation, 2012.

Endnotes

1. U.S. Department of Education, National Center for Education Statistics. (2011). *The Condition of Education 2011* (NCES 2011-033). For charter and magnet schools: Table 100. For private schools: Table 3.

2. The most recent national statistics on inter-district choice come from U.S. Department of Education, National Center for Education Statistics, *Schools and Staffing Survey (SASS)*, "Public School District Data File," 2007-08.

3. Rothwell, Jonathan. 2012. *Housing costs, zoning, and access to high-scoring schools*. Washington DC: Metropolitan Policy Program at Brookings.

4. Ellen, I and Horn, K. (2011). "Do households with housing assistance have access to high quality public schools? Evidence from New York City" in *Finding Common Ground: Coordinating Housing and Education Policy to Promote Integration*, ed. Tegeler, P. Poverty & Race Research Action Council.

5. Susan Aud, William Hussar, Michael Planty, Thomas Snyder, Kevin Bianco, Mary Ann Fox, Lauren Frohlich, Jana Kemp, and Lauren Drake, *The Condition of Education 2010*, NCES 2010-028 (Washington, D.C.: National Center for Education Statistics, 2010).