RESIDENTIAL SEGREGATION AND HOUSING INTEGRATION: POLICY CHALLENGES AND THEIR MANIFESTATION IN ST. PAUL, MINNESOTA, USA

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1 Introduction

Since the middle of the 20th century, residential segregation has been considered one of the main challenges for urban policies and planning in the United States. The discussion of residential segregation, defined as the unequal spread or concentration of residential locations across a city’s region of residents with a different socio-economic and/or racial background, has shown the following characteristics:

– Its perception as a barrier to social mobility, integration, and well-being of the people concerned,
– its role as a pivotal cause of urban poverty as well as related social and behavioural dysfunctions, and
– the focus on the spatial and social segregation of black from white American citizens (the “black-white paradigm”) paying little or no attention to the segregation of other immigrant minorities.

In the years following the Fair Housing Act in 1968, the focus of attention lay on the segregation of African-Americans from non-Hispanic white Americans – which today still shows the highest segregation indices. But over the last two decades researchers and policymakers have also attended to the levels and forms of (albeit lower) segregation of other nonwhite groups. The latter, notably Hispanics or Latinos, today constitute the largest immigrant group in the United States – along with Asians. The present paper is also a reflection on the residential segregation of migrant groups (as opposed to “native” nonwhite groups) in the United States.

Housing “integration” expresses the policy goal of achieving a more even distribution of different racial or ethnic groups across the area of a city3 – a proclaimed goal

3 In the sense that the neighbourhoods of a city contain people of different ethno-racial groups in proportion to their incidence in the total population of this same city.
Integration Policies at the Local Level: Housing Policies for Migrants

to countering segregation in US cities. From the late 1960s onward, several strategies were pursued to achieve racial and income deconcentration in US cities. These strategies consisted of, for instance, introducing a housing subsidy “voucher” program, outlawing racial discrimination by private banks and housing agents, and inducing a higher level of racial and income mix in public housing.

The present paper posits that the strategies aimed at residential segregation proved limited in at least three respects, i.e., in terms of:

− their effectiveness in achieving racial or income deconcentration in housing,
− their success in achieving an improvement of individuals’ or families’ living situation, and
− the understanding and implications of the “integration” ideal itself.

The arguments advanced in this paper are based on a case study carried out in the city of St. Paul, Minneapolis, between August 2004 and July 2005, in the context of the author’s dissertation. This study employed a mix of research methods, both quantitative and qualitative, including the analysis of census data, policy documents, and transcripts of qualitative interviews, the latter having been conducted with housing and community development agents, policymakers, and residents of immigrant neighbourhoods.

The next chapter describes and discusses the US housing policy responses to segregation (the “supply side”) of the past decades. Then, I describe the city and neighborhood context of the mentioned research, i.e., the city of St. Paul and Twin Cities metro area. Manifestations of desegregation in the local context are analyzed, also with respect to possible locational specificities. The final section provides a conclusion and an outlook, including a critical assessment of the housing “integration” ideal and alternative policy goals and approaches.

2 Housing Policy Responses to Segregation in the United States

Racial and ethnic residential segregation form a key structural element of many cities in the United States. Segregation rates for African-Americans are the highest, followed by those of Hispanics and Asians. Although the latter figure in the more “moderate” ranges, they have been increasing with the number of persons from these ethnic groups increasing in the last decades (Fong & Shibuya 2005: 287, Zubrinsky Charles 2003: 167, Iceland 2004: 269). Although black-white segregation is on a downward trend, it is decreasing at a pace so slow that “it may take forty more years for black-white segregation to come down even to the current level of Hispanic-white segregation” (LMC 2001: 1).

Profiles of the typical neighbourhoods of persons belonging to the dominant racial/ethnic groups of the United States (whites, blacks, Hispanics and Asians) starkly reflect segregation patterns: In the year 2000, the neighbourhood of a typical black person
in metropolitan America was made up of 51% black, 33% white, 11% Hispanic, and 3% Asian. A neighbourhood in which the typical white person lived, on the other hand, was made up of 80% white, 8% Hispanic, 7% black and 4% Asian (LMC 2001: 1).

Residential segregation has traditionally been, and still is, associated with racial inequalities. It is also believed to constitute a barrier to social mobility and urban integration. For instance, several authors note a strong overlap between poverty and a concentration of minorities. According to Jargowsky (1997), “[in] 1990, nearly four out of five residents of high-poverty neighbourhoods were members of minority groups” (ibid.: 61). Further, the spatial concentration of disadvantaged individuals and families in segregated urban neighbourhoods is believed to aggravate social problems such as joblessness, dependence on welfare, single-parenthood, school drop-out rate and drug use (Massey & Denton 1993: 2). And segregation is assumed to show particularly detrimental effects on children and youths (Wilson 1990: 57).

2.1 Explanations for Residential Segregation

In order to understand the policy responses to residential segregation it is necessary to take a closer look at its presumed causes. Three approaches are usually employed to explain racially or ethnically based residential segregation: First, economic status, with an emphasis on income or status differences between households determining their ability to compete in the housing market (Clark & Blue 2004: 685). This comprises arguments on the effects of economic restructuring (de-industrialization, shift toward a service economy, suburbanization of jobs) in large US cities hitting minority people particularly hard (Wilson 1990: 55ff, Clay 1992: 95).

Second, preferences are believed to be an important cause of segregation, in the sense that ethnocentrism and/or prejudice of whites toward members of other racial and cultural groups (and ensuing behaviour such as “white flight” from neighbourhoods in transition) is believed to lead to urban spatial segregation (Quillian 2002: 197, Huttmann 1991a: 347). Third, institutional causes that cause the segregation of minority households to be shaped by the discriminatory practices of private housing agents, such as realtors, mortgage lenders, and insurance companies (Massey & Denton 1993: 102f., Galster 1992: 278, Chandler 1992: 290f.). In contrast, in the post-civil rights years, governmental agents influenced segregated housing patterns only indirectly. 4

Notwithstanding the differences between these approaches, some of which are more supply, others more demand oriented, all of them see residential segregation as

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4 For instance, through exclusionary zoning ordinances, the construction of federal highways, and the introduction of the home mortgage interest deduction program fostering suburban building, at the expense of central city development (Orfield 1997: 59, Squires et al. 2002: 157, Jargowski 1997: 207).
something negative. Academic and public perception alike has focused on the coercive and non-voluntary character of segregation, thereby neglecting its possible voluntary or “positive” aspects. As a consequence, “desegregation” has been assumed to be a desirable outcome, both for the concerned individuals and families and the urban societies in question.

2.2 Desegregation Programs

With respect to the explanatory approaches to segregation described, most scholars believe that a combination thereof is best (Blauw 1991: 396, Fossett & Warren 2005: 1894, Kaplan & Woodhouse 2004: 583). The policy programs developed between 1960 and 2010 testify to this insight. They include strategies to counter institutional discrimination, to spread out public housing, to reduce (white) prejudice, and to enhance the ability of low-income and minority households to compete in the housing market.

In the last decades of the 20th century, US housing policy experienced a shift from supply-driven to more demand-driven affordable housing. There are at least three reasons for this: First, the fact that minority and income segregation in US cities was being furthered by the concentration of (large) public housing projects in inner-city areas. Second, the limited success of supply-side-oriented affordable housing (large housing estates, scattered-site housing) implemented thus far. And third, an increasing pressure on the federal government to reduce expenditures for subsidized housing and instead rely on privatized housing policy options (Goetz 2003: 54, Goering & Coulibably 1991: 307).

Table 1: Desegregation strategies and their target groups

<table>
<thead>
<tr>
<th>Strategies</th>
<th>Target group</th>
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<tbody>
<tr>
<td>Scattered-site</td>
<td>Public housing tenants</td>
</tr>
<tr>
<td>Housing vouchers</td>
<td>Public housing tenants</td>
</tr>
<tr>
<td>Mobility programs</td>
<td>Public housing tenants, landlords</td>
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<tr>
<td>Mixed-income housing</td>
<td>Public housing and other prospective tenants</td>
</tr>
<tr>
<td>Integration maintenance</td>
<td>Higher income, white population groups</td>
</tr>
</tbody>
</table>

Source: own compilation.

5 Also, according to Goetz, in the 1990s the government’s focus on desegregation changed. In the first two decades after the Fair Housing Act the intention was primarily on correcting past wrongs, i.e., racial discrimination. From 1990 onwards it was to fight the growth of the so-called urban underclass in dilapidated inner-city neighbourhoods or ghetto development (Goetz 2003: 54). Assuming that socio-economic status, rather than race, constituted the relevant variable, the focus also changed from race- to income-oriented policies (ibid.: 51).
The following describes the most important desegregation strategies of the last decades (see also Table 1). While all of them are national housing policies, they were implemented and decided upon on the local level.\(^6\)

**Scattered-Site Programs**

In withdrawing from the public housing construction of high-rise buildings, in 1965 the US government enacted the so-called scattered-site housing program. Scattered-site units are mostly single-family buildings owned by public housing authorities and rented out to low-income households. The program constituted the first initiative to deconcentrate public housing in American cities, albeit on a gradual basis: Less than one-fourth of the housing authorities had started scattered-site housing by the end of the 1960s, and by the early 1990s only 10% of all assisted housing in urban areas were scattered-site units (Goetz 2003: 45). Also, with the government moving away from public housing projects from the mid-1970s onward, the construction or purchase of scattered-site units was slowly abandoned.

**Voucher Housing**

Tenant-based housing or housing “vouchers” were introduced under the Nixon administration in 1974, following three arguments: 1. Tenant-based housing is **less expensive** than unit-based programs; 2. Tenant-based housing leaves assisted families **more choices** in the selection of houses and neighbourhoods, thus also implying **less interference** with the private market; and 3. Tenant-based housing leads to race- and income **desegregation** (Goetz 2003: 49). Tenant-based subsidies allow families to rent a unit at or below the fair market rent (FMR) of a given region, as established by the Federal Department for Housing and Urban Development (HUD).\(^7\) The Public Housing Authority of a municipality then pays for the difference between 30% of a person’s income and the unit’s rent. In the 1980s the voucher program was introduced allowing families to rent units even above the FMR provided they pay the extra cost. The “portability” principle sanctioned by US Congress in 1998 allows families to use their subsidy also outside their city of residence (ibid.: 52).

**Mobility Programs**

Mobility programs are usually implemented in combination with tenant-based subsidies or vouchers. They are a result of the HUD’s experience that scattered-site public housing or vouchers alone are not sufficient to achieve significant racial or income deconcentration. Mobility programs may involve either of the following strategies:

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\(^6\) Usually a Public Housing Authority is responsible for the implementation of the affordable housing policies and the administration of its public housing stock.

\(^7\) Fair Market Rents are expressed as a percentile value within the rent distribution of standard quality rental housing of a given metropolitan area. Most commonly, the 40th percentile is used as delimitation; however, in areas with a particularly tight rental market the 50th percentile can be used (www.universallivingwage.org).
1. Residents of a public housing project are provided with a housing voucher and, for example, in the context of the implementation of a desegregation lawsuit, required to move to a non-concentrated area.

2. Public housing residents obtain counselling and information about housing opportunities in areas outside the original and other minority-concentrated neighbourhoods.

3. Recruitment of landlords, for example, in suburbs, to increase their acceptance of voucher-holding tenants (ibid.: 55).

**Mixed-Income Housing**

The mixed-income housing approach was legally sanctioned in 1990 and institutionalized in the Public Housing Reform Act of 1998. The Act requested public housing authorities to “reserve as little as 40 percent of public housing units for the very poor, opening the rest to families with higher incomes” (Goetz 2003: 58). Aiming at achieving higher income diversity *within* a single subsidized housing project (as opposed to dispersing low-income or minority families of a public housing unit across a city or metro-area), this Act follows the inverse logic of scattered-site housing. Common strategies to attract higher-income residents are improving the building quality (partly involving demolition), as well as neighbourhood amenities and safety conditions. Meanwhile, low-income residents of a given unit are assigned a housing voucher for its use in alternative and, if possible, non-concentrated neighbourhoods (ibid.: 58).

**Integration Maintenance**

Similar to mobility programs, integration maintenance strategies were adopted to complement existing public housing dispersal approaches. They aim at countering white “prejudice spawned by lack of inter-racial exposure” (Galster 1992: 277) and encompass financial incentives such as affirmative marketing of racially mixed neighbourhoods to prospective (white) homeowners, low-interest mortgages for households to move to such neighbourhoods, pro-integrative residential location counselling, the promotion of non-discriminating real-estate brokers, fair housing education, monitoring and testing of private lenders and in-place community development strategies (Galster 1992: 280ff., Saltmann 1991: 388, Huttmann 1991: 355f.). Some housing agencies determined racial quota in order to prevent the proportion of minority households in a neighbourhood from exceeding a (pre-determined) “tipping point” (Chandler 1992: 292ff.) – thereby de facto reducing the housing choices of minorities (ibid.: 297, Schuck 2003: 210, Huttmann & Jonnes 1991: 358).

In the context of several desegregation lawsuits, a combination of these strategies was put into practice. The *Gautreaux* lawsuit in Chicago, initiated in 1966, involved providing housing vouchers to former public housing tenants, mobility assistance to the families as well as landlord recruitment. Some 7,100 African American families – out of a total of 1.2 million former public housing residents – moved to 115 predominantly white neighbourhoods of Chicago, to date the largest desegregation program in the country (Schuck 2003: 228, Goetz 2003: 52, Massey & Denton 1993: 191).
Residential Segregation and Housing Integration in St. Paul, Minnesota

Hollmann vs. Cisneros lawsuit in Minneapolis/St. Paul involved providing housing vouchers to former public housing tenants (partly on an involuntary basis), mobility counselling, transfer of public housing tenants to scattered-site housing, and mixed-income development in the former public housing site. This case will be further elaborated.

2.3 Assessment of Desegregation Strategies

We assess the desegregation strategies described above with respect to two criteria: first, their success in achieving their own (self-set) objective of racial or income deconcentration in housing; second, their success in improving individuals’ and households’ living situation and opportunities.

Occurrence of Residential Deconcentration

In the light of continued segregated housing patterns of US cities up to the present day, especially between the black and white populations, the effect of desegregation strategies has proved to be limited indeed. Even large-scale desegregation programs such as Gautreaux in Chicago were criticized because of its limited scale and slow pace (Schuck 2003: 230). This can be attributed to several reasons:

1. Most desegregation policies (e.g., shift from project- to tenant-based subsidies, scattered-site housing, mobility counseling) focused on public sector housing – the sector of the housing market on which the government has most influence. However, HUD-financed housing make up only a very small part, i.e., about 2%, of the total housing stock in the United States (Massey & Denton 1993: 229, Johnston 1991: 252). Accordingly, aggregate housing patterns remains relatively influenced by policy changes in public housing.

2. Even within the pool of governmental housing, desegregation initiatives have faced important obstacles, such as resistance to affordable housing on the part of local governments of suburban municipalities. In order to remain politically credible and acceptable to residents of majority-white neighbourhoods or suburbs, mobility programs must work on a limited scale (Goetz 2003: 75f.). The spread of scattered-site housing into suburban areas was often compromised by high costs of land and property outside areas adjacent to the central city. Also the spread of affordable housing through issuing housing vouchers proved a challenge in times of tight housing markets in which landlords have little interest in accepting (presumably problematic) voucher tenants. Although portability ensures that vouchers can be used across jurisdictions, central city public housing authorities still ended up transferring little affordable housing to suburban communities. Thus, desegregation has little effect if carried out only at the level of a single (usually central city) municipality (Chandler 1991: 298). Furthermore, few middle-class families were attracted to live in former public housing units.

3. Initiatives to curtail segregation in the private housing market through anti-discrimination enforcement measures did not prove to be very effective. The outlawing of discrimination in the entire housing stock of the United States in the Fair Hous-
ing Act of 1968 was enacted in conjunction with feeble means of enforcement. As a consequence, up until the end of 1980, very few cases of housing discrimination were actually prosecuted (ibid.: 200), although serious biases among real estate and lending agents had been detected.

**Impact on Individuals and Families**

One of the underlying assumptions of desegregation programs is that racial and/or income dispersal is beneficial for the affected families, bettering both families’ and individuals’ access to and quality of services (schools, child care, medical care). However, previous experiences of desegregation suggest this is not the case, rather:

1. The impact of desegregation on the affected households did not fulfill the expectations concerning social and economic benefits. In various desegregation programs of the 1990s, households reported positive experiences in terms of neighbourhood security, a higher school quality, as well as better housing structures. On the other hand, the experiences in terms of access to employment were mixed. Frequently reported negative effects of neighbourhood dispersal are reduced access to transportation and to social services, such as health or child care. Whereas moving to suburban neighbourhoods tends to lead to more social interaction among white and minority children and adolescents, the situation tends to turn out very differently for adults who move to the suburbs: Many neighbourhoods report higher degrees of social isolation, loneliness, or even hostility in their new environments, and few report interactions with their higher income, usually white neighbors (Goetz 2003: 81ff., 218ff.).

2. Many desegregation programs faced considerable resistance from the affected, usually minority communities, especially with recent immigrant communities. Historically, African American community leaders or black fair housing advocates have rejected the overall objective of racial integration as paternalistic. Many minority leaders consider desegregation the intention of the white majority to disrupt their communities, erode their power base and in the end constrain, rather than enlarge their housing choices (Chandler 1992: 291).

### 3 Desegregation in St. Paul and the Twin Cities

Next we relate US housing and desegregation policies to the case study context of the city of St. Paul and the Twin Cities metro area in Minnesota. First, the structural framework of this city and metro area is provided and then the manifestation of the desegregation strategies described above are discussed.

#### 3.1 St. Paul City and Metro Area Context

St. Paul is the capital of the State of Minnesota in the northern Midwest United States. It forms part of the Minneapolis-St. Paul metropolitan area, commonly referred
to as the “Twin Cities”. St. Paul has a population of approximately 290,000, and Minneapolis has some 350,000, and the entire Twin Cities metro region hosts a population of almost 3 million people. Including its core cities St. Paul and Minneapolis, the metro area comprises 188 municipalities and 7 counties.8

The economic situation of the Twin Cities’ Metro Area is quite favourable. Compared to the 22 biggest US metro areas, it shows the second-highest adult labor force participation rate, the lowest unemployment rate, and the fourth-highest share of residents working in educational, health, and social services.9 Historically one of the main livestock and meatpacking centres of the Midwest, today St. Paul is predominantly service-sector oriented and houses one of the largest concentrations of high-technology industry (e.g., computers and medical instruments) in the United States.

Like many other cities in the United States, St. Paul has become more multi-ethnic and multi-cultural over the past decades. From a city with a predominantly Anglo-white population it has evolved into a city attracting an increasing number of immigrants from different parts of the world. This is reflected in a decreasing proportion of the non-Hispanic white population of St. Paul, from 88.6% in 1980 to 63.6% in the year 2000 (http://mumford.albany.edu/census/data).

The following graphs illustrate the make-up of the major racial and/or ethnic groups for both the Twin Cities Metro Region and the City of St. Paul, between 1980 and 2000. They indicate the proportional increase of black, Hispanic, and Asian inhabitants between 1980 and 2000. This is coupled with a clear decrease in the proportion of non-Hispanic whites with respect to the total population. Although these patterns can be found in both the Twin Cities’ metro area and the City of St. Paul, the decrease of the non-Hispanic white population is much more significant in St. Paul.10 Asians (composed of nationals of several countries, such as Cambodia, China, and the Philippines) saw the highest growth in the period from 1980 to 2000. For the period between 1990 and 2000, Hispanics grew the most in St. Paul. Among the Twin Cities’ Hispanic population, 66% are of Mexican origin.

In contrast, the US Census Bureau defines the Minneapolis-St. Paul Metropolitan Statistical Area as a 13-county area surrounding the Twin Cities and extending into Wisconsin (http://minneapolis.about.com).

However, other sources point to manifestations of poverty in the metro area, arguably due to its accentuated socio-economic polarization. For instance, according to the “Living Cities” report of the Brookings Institution one in six children in the metro area lives in a family with no parents in the labor force, ranking 16th with respect to the other 23 metro areas (www.brookings.edu/es/urban/livingcities/MinneapolisStPaul.htm).

In this regard, the Twin City- and St. Paul-related figures reflect the common characteristic of the socio-spatial organization and evolution of the American metropolis: A decrease of the white population is paralleled by high growth rates of the non-white population in the central cities. However, this trend is less accentuated in St. Paul than in other US cities (mumford.albany.edu/census/data).
Compared to the “traditional” immigrant destinations in the USA in the Southwest or along the East Coast, St. Paul and the Twin Cities show relatively small proportions of immigrants (see Table 2). And with respect to other US metro areas their black-white dissimilarity indexes are definitively lower, indicating less segregated residential patterns. However, as previously indicated, the city and metro area have generally become increasingly attractive for immigrants in the last decades, partly because of their favourable economic situation. This fact testifies to a trend in the residential patterns of the US immigrant population which, at the beginning of the 21st century,

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11 The dissimilarity index (di) expresses which percentage of members of a specific (income, ethnic, racial) group would have to move so that every census tract replicates the (income, ethnic, racial) composition of the entire city or metro area. It ranges from 1 to 100, and values of 60 and above are considered very high.
has become much more spatially dispersed than in previous decades (Fix & Capps 2002: 2f.). While the share of foreign-born persons residing in the states of California, New York, Florida, and Illinois has fallen, new “growth” states such as Minnesota (along with Georgia, Nevada, and Arkansas) have emerged.

Table 2: Demographic and socio-economic structure of Twin Cities and St. Paul compared to other US metro areas

<table>
<thead>
<tr>
<th></th>
<th>NYC</th>
<th>Detroit</th>
<th>Chicago</th>
<th>Los Angeles</th>
<th>Seattle</th>
<th>Mpls.-St. Paul</th>
<th>St. Paul City</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population (in 1,000)</td>
<td>9,314</td>
<td>4,442</td>
<td>8,273</td>
<td>9,519</td>
<td>2,415</td>
<td>2,969</td>
<td>287</td>
</tr>
<tr>
<td>% Foreign-born*</td>
<td>33.7</td>
<td>7.5</td>
<td>17.2</td>
<td>36.2</td>
<td>13.7</td>
<td>7.1</td>
<td>14.3</td>
</tr>
<tr>
<td></td>
<td>(1)</td>
<td>(21)</td>
<td>(3)</td>
<td>(2)</td>
<td>(18)</td>
<td>(25)</td>
<td></td>
</tr>
<tr>
<td>% Hispanics</td>
<td>25.1</td>
<td>2.9</td>
<td>17.1</td>
<td>44.6</td>
<td>5.2</td>
<td>3.3</td>
<td>7.9</td>
</tr>
<tr>
<td>% Non-Hispanic white</td>
<td>39.6</td>
<td>69.7</td>
<td>58.0</td>
<td>31.1</td>
<td>76.3</td>
<td>84.7</td>
<td>64.0</td>
</tr>
<tr>
<td>Median household income</td>
<td>41,053</td>
<td>49,175</td>
<td>51,680</td>
<td>42,189</td>
<td>52,804</td>
<td>53,450</td>
<td>38,774</td>
</tr>
<tr>
<td>% Below poverty</td>
<td>19.5</td>
<td>10.7</td>
<td>10.5</td>
<td>17.9</td>
<td>7.9</td>
<td>6.7</td>
<td>15.6</td>
</tr>
<tr>
<td>White-black dissimilarity index</td>
<td>81.8</td>
<td>84.7</td>
<td>80.8</td>
<td>67.5</td>
<td>49.6</td>
<td>57.8</td>
<td>43.1</td>
</tr>
<tr>
<td>City-suburb disparity**</td>
<td>289</td>
<td>306</td>
<td>286</td>
<td>149</td>
<td>73</td>
<td>251</td>
<td>(251)</td>
</tr>
</tbody>
</table>


* In parenthesis is the ranking of this metro area with respect to all metro areas in the United States from 1 to 331, in terms of its attractiveness to immigrants, based on the percentage of foreign-born population.

** The position of this metro area in a ranking system of all metro areas in the US from 1 to 326, in terms of disparity level in economic well-being indicators between cities and suburbs.

Thus, in the light of recent immigration trends it seems pertinent to analyze the situation and the perspectives of housing integration of immigrants in a city with a (relatively) recent history of urban diversity. Note, however, that the results of the present research are best suited to be transferred to similarly structured cities and urban areas, both in demographic and economic terms, i.e., new immigrant destinations with a relatively favourable economic disposition.

3.2 Public Housing in St. Paul

The St. Paul Public Housing Authority (PHA) manages the city’s public housing programs. In municipalities in the metro area without their own PHA, the ‘Twin Cities’ Metro Council, a regional policy and planning agency created in 1967, acts as the implementing agency for affordable housing.
The PHA-owned and -administered housing stock in St. Paul represents around 5% of the overall housing stock in the city, considerably more than the public housing stock share in the entire United States of approximately 2%. However, according to estimates from the St. Paul PHA, only one out of five qualifying households (in terms of incomes) actually lives in one of the subsidized PHA units. Households usually stay on the PHA’s waiting list anywhere from 3 to 5 years before actually getting housed, a typical or even low figure for the subsidized housing market in other US urban areas. No new production of public housing units has taken place in St. Paul since 1986, and no vouchers have been added “since the late 1990s” (interview with PHA staff, 10 June 2005) – a situation not unlike that of national public housing.

The St. Paul Public Housing Agency owns around 4,300 project-based units, consisting of so-called Family Developments (large multi-family buildings with a total of 1,338 units), 16 hi-rises (total of 2,476 units for seniors and disabled), and 421 single-family, scattered-site units (PHA Management Report, March 2005: 16). In addition to its own housing stock, it administers a further 4,000 privately owned, Section 8 voucher apartments, where the owners agree to charge no more than an area-based Fair Market Rent. The location of the project-based and voucher units can be seen on the maps 2 and 3.
In general terms, the situation and location of public housing in the city of St. Paul suggests that

- Public housing (project-based) units are relatively widely dispersed across the city area. This is particularly the case for the multi-family housing buildings and scattered-site units.
– Voucher units, on the other hand, seem to be more concentrated. This fact is particularly salient if one looks at the distribution of public housing across census tracts with high or low poverty: Most voucher units are located in high-poverty census tracts.

The latter situation confirms the statement made above, that the housing voucher system per se does not lead to spatial deconcentration of affordable housing. According to a staff member of the St. Paul PHA, the higher spatial concentration of voucher units, as opposed to housing projects, even “belies some stereotypes that the government concentrates poverty, and [that] the private sector disperses poverty” (interview 10 June 2005). Particularly in times of low vacancy rates (prevalent in the first of the decade of the 2010s in the Twin Cities) is the affordable housing allocation through the private sector unable to foster income-based housing integration.

3.3 Housing Integration (or Choice?) of Minorities

Federal housing law requests the PHAs to prevent the construction of new public housing in high-poverty and minority-concentrated areas in their respective administrative area, as well as to prevent the concentration of “very poor” families in their housing estates. The extent to which the PHAs achieve a certain income mix, for example, between very poor and moderately poor households inside their housing projects is monitored regularly. Furthermore, in the context of the Section 8 or “Voucher” Management Assessment Program (SEMAP), PHAs are awarded so-called “deconcentration” and “expanding housing opportunity” bonuses.  

Although they seek to prevent poverty and minority concentration in their public housing, the PHAs do not use explicit instruments to actually accommodate the housing situation or needs of immigrants. Rather, in the provisions of public housing a “colour-blind” policy is pursued in which income is used as the key or, in the light of the connection between poverty and minority status, a “proxy” variable to address structural disadvantage. For instance, fulfilling the desire of an immigrant family to be assigned an apartment close to other households of the same ethnic group is not something the PHA can do (interview PHA staff 10 June 2005).

The housing experts in St. Paul indicate that the housing “integration” goal of the US government – defined by achieving neighbourhoods in which the proportions of racial/ethnic groups correspond to the respective incidence in the entire city – is confronted with several dilemmas:

1. **The overall housing market dilemma.** The deconcentration of public or affordable housing makes the goal extremely difficult to achieve in housing crisis times. Often pressures are particularly felt at the lower-end of the housing market (Goetz

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12 However, according to PHA-staff (interview 17 May 2005), even though the deconcentration indicators are annually assessed their weight is limited and can be relatively easily compensated by a generally favorable operational record of a Public Housing Agency.
In reaction to housing market constraints, HUD has “waived” deconcentration objectives for St. Paul and Minneapolis public housing projects for which placement in higher-income and/or majority-white areas proved unfeasible.

2. **Limitations of sectoral focus.** Enhancing people’s housing integration and their capacity to compete in the housing market requires improvement in other opportunity-relevant sectors such as education and employment. But this goes beyond the mandate of public housing providers such as PHAs. However, in terms of housing placement St. Paul housing officials maintain that bringing skills- and employment-relevant services close to people may be more helpful to them than moving them to other areas where such essential support structures are absent.  

3. **The integration versus choice dilemma.** Spatially dispersing people in the name of “integration” becomes problematic if not matched with people’s housing “choice”. The St. Paul Public Housing Authority is confronted with this problem whenever applicants for public housing refuse the housing unit offered them. Although the rule since the 1980s was that prospective tenants had to accept the unit at the top of the list, in the meantime PHAs do grant households a second choice, if they provide a good reason for their refusal.  

The resistance to desegregation by concerned residents, often ethnic communities, has manifested itself in several desegregation lawsuits. The Hollmann/Cisneros case in the city of Minneapolis in the Twin Cities’ metro area constitutes an example of this and other dilemmas pointed out above.

### 3.4 Excurs: The Hollmann vs Cisneros Case in Minneapolis

In 1992 the local non-profit organization Legal Aid and the Minneapolis chapter of the National Association for the Advancement of Colored People (NAACP) filed a lawsuit against the Minneapolis Public Housing Authority (MPHA), the City of Minneapolis, HUD, and the Twin Cities Metropolitan Council (Goetz 2002: 1). The motivation for the lawsuit was alleged discrimination in the placement of public housing in Minneapolis (Goetz 2004: 284). Four out of five public housing projects with all together 770 units were located at the same site in the traditional “North Side” African American neighbourhood of the city – and it was in a state of blight in terms of the physical conditions of the housing structures and units as well as environmental condi-

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13 In this sense, the St. Paul PHA is providing office space to community organisations who render services such as citizenship classes and English-language courses to inhabitants of public housing projects and other residents of the respective neighbourhood.

14 In 2005, “does not like the location” figured as the most frequent reason for turning down a unit. According to St. Paul PHA-staff (interview 17 May 2005) colored households are among the most recurrent providers of this reason. Obviously, the answer may also apply to white households who do not want to live in a minority area.
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In 1990, the racial/ethnic and socio-economic neighbourhood profile of the “North Side” (5.8% white, 45.7% black, and 47.1% Asian) starkly differed from that of the average neighbourhood in the metro area (92.1% white, 5.8% black, and 4.6% Asian).

In the consent decree signed in 1995, the litigating parties agreed to a variety of remedies to deconcentrate public housing in Minneapolis:

- Redevelopment of the “North Side” including the demolition of the 770 housing units and the partial relocation of the families from the units.
- Issuance of 900 housing vouchers for Hollman and other households. The housing vouchers were given in the context of a Special Mobility Program (SMP) and had to be used in “non-concentrated” areas only. A city area was defined as “minority concentrated” if it housed 20% more African American and 15% more poor households living in poverty compared to the regional average.
- A one-to-one replacement of the North Side units by scattered-site and project-based units. The hope was that, by constructing single-family units, former public housing households would move to “non-concentrated” areas within and outside of the Minneapolis jurisdiction. However, different than with the SMP vouchers, this was not a requirement.

At the beginning of the 2000s, all the elements of the consent decree had been complied with and the 770 families re-housed – around 220 families in the original unit and the rest in other city or suburban neighbourhoods. One official from HUD in Minneapolis who was interviewed considered the concerted effort of the city and regional political and housing authorities as well as the engagement of some suburban communities as the central reasons for this success (interview with HUD-staff on 7 June 2009).

Despite the successful placement, the “deconcentration” process encountered obstacles. They lay in the difficulty in identifying private landlords ready to co-operate in the voucher program, in the resistance of a considerable number of suburban council members to accept and promote affordable housing within their jurisdiction, in the opposition of particularly the Southeast-Asian (Hmong) immigrant community to be removed from the former “North Side” community, and in the very slow progress of relocation altogether (Goetz 2004: 297).

The relocation of the former public-housing residents, both in the voucher or replacement housing context, occurred mostly to areas close or adjacent to the city center: “Twenty percent of the families stayed within a 1-mile radius of the center of the original site, 39% relocated within a 2-mile radius, and 58% relocated within 3 miles” (Goetz 2004: 285). Only 13% of the families moved to the suburbs, the vast majority thereof to first-tier suburbs directly adjacent to the central city (ibid.: 284).

Although the socioeconomic characteristics of most of the communities the former “Hollman” households moved to were significantly better than they had had on the “North Side”, they still tended to lie clearly below city or metro averages – and tended to grow even worse between 1990 and 2000 (ibid.: 285). Families reported that their
new neighbourhoods offered an improvement with respect to crime and drug problems, but no positive effects in terms of employment or schools. Particularly participants from Southeast Asia complained about higher levels of social isolation in their new communities both for themselves and their children, particularly if they had been involuntarily relocated (Goetz 2003: 218).

The challenges encountered in the Hollman desegregation lawsuit run parallel to those witnessed elsewhere in the United States. Having said this, the blight experienced in public housing in a (smaller and less segregated) city might not be comparable to that of public-housing residents in larger and more socio-economically fragmented cities such as New York or Chicago. For instance, according to the St. Paul PHA staff, Chicago public housing families in the Gautreaux case “got the hell out of” the inner-city Chicago area when offered the vouchers (interview 17 May 2009). In contrast, in Minneapolis “public housing conditions and central-city neighbourhood conditions have not inspired the residents to make a mad rush to the suburbs” (Goetz 2004: 298).

4 Conclusion and Outlook

This paper reviewed past and present US housing policy responses to residential segregation. It also discussed their materialization in a specific city and metro area context, i.e., the city of St. Paul and the Twin Cities’ metropolitan area. A special focus lay on the question concerning the degree to which past and present urban desegregation policies successfully addressed the goal of housing integration.

US housing policies include a wide range of strategies and programs to counteract residential segregation. By breaking up racial or ethnic as well as income-based spatial clusters in cities they aim at contributing to higher levels of urban and housing integration. This is done by outlawing discrimination in housing, counteracting white prejudice, and dispersing public housing units, for example, by constructing single-family units (“scattered-site housing”) or providing housing vouchers. These strategies address a number of issues assumed to lie at the root of segregation: people’s social and economic disadvantages to compete in the housing market, (white) prejudice, and the discrimination of people of color by housing and real estate “gatekeepers”.

This paper shows that, both on the national scale and in the St. Paul and the Twin Cities’ metro area, the success of these desegregation strategies has been limited. “Success” is defined first with respect to the programmatic goal of achieving the desired housing dispersal and second with respect to the larger social goal of enhancing minorities’ and poor people’s housing choices and living conditions.

In the city of St. Paul and the Twin Cities’ metro area, desegregation strategies, such as providing housing vouchers, have not resulted in a significant dispersal of affordable/minority housing. Both in the reviewed literature as well as in personal interviews with St. Paul and Twin Cities’ housing experts desegregation strategies prove to be confronted with a number of problems: 1. The small proportion of public
hiring with respect to the total housing stock in US cities (5% in St. Paul, 2% on the national level). 2. Reluctance of private landlords and sometimes local governments to open up their apartments or municipalities for public housing, particularly in times of tight housing markets. 3. The resistance of concerned residents, notably ethnic minorities, to move to majority-white communities. In the Hollmann case in Minneapolis, for instance, dispersed families experienced limited improvement of their living situation in suburb neighbourhoods and lamented ensuing social isolation.

Thus, compared to the normal racial- and income-related mix of households across a city’s entire area, and in proportion to the distribution of racial and income groups in the overall city population, “integration” turns out to be a problematic policy goal. Housing integration or dispersal plans in the United States have not only failed to achieve their programmatic goal, they have repeatedly ended up working against people’s housing choices. Among other things, public housing tenants from more recent immigrant groups might value residing physically close to others for whom they feel an affinity, both for instrumental (e.g., job-related) and emotional reasons (Young 2000: 217).

On a more fundamental note and with respect to the debate in the UK, Amin pointed out that “ethnic mixture through housing cannot be engineered” (2002: 13) since “the contact spaces of housing estates (...) seem to fall short of inculcating inter-ethnic understanding, because they are no spaces of interdependence and habitual engagement” (ibid.: 14). According to Amin, urban spaces better suited to deal with ethnic and other differences are schools, workplaces, colleges, and youth centers marked by “natural mutual interaction” (ibid.: 15f.).

In view of the pitfalls associated with the ideal of housing “integration” (as used in US policy language), the enlargement of people’s housing choices and capabilities seems a more pertinent one (Dick 2007: 271). Following the Indian economist Sen (2000: 49), I define “capabilities” in this context as people’s actual freedom to achieve residential and general well-being, while also taking into account the constraints their housing “choices” may be rooted in: lack of financial means or material assets (e.g., a car) to seek housing in more “attractive” neighbourhood, lack of information on available housing and means to look for it, or limited social and political freedom due to fears of discrimination.

In more concrete terms, enlarging housing choices and capabilities would mean to urban policymakers welcoming residential segregation if this constitutes a matter of choice, for example, of immigrant groups. It would suggest enhancing people’s housing capabilities through interventions in opportunity-related services in “immigrant neighbourhoods” (language courses, job counseling, citizenship classes) and thereby favouring “in-place” policies of moving resources over strategies of moving people. It would suggest improving access to and providing more information on (affordable) vacant housing on a metro-wide scale. And, finally, it would suggest promoting intercultural understanding and conflict mediation in educational entities, neighbourhood organizations, and youth clubs to confront the opportunities and challenges of the increasingly multicultural US cities of the 21st century.
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