

Dynamics of Mixed-Income Communities



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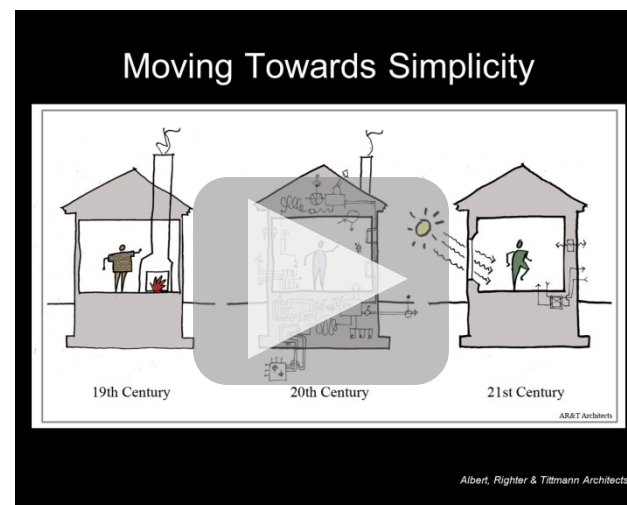
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Course Description

Mixed-income housing gained national attention and became a federal priority in 1993 when, with the authorization of the HOPE VI program, federal, local, and private programs began using mixed-income housing to encourage social mobility and avoid concentrating affordable housing in low-income neighborhoods.

Practitioners and academics will consider efforts required to build mixed-income communities, expectations for neighborhood change, technical issues including income mix percentages, shared amenities, and the physical design of market and affordable housing.



Learning Objectives

1. Identify and address the challenges of financing developments that combine market-rate and subsidized units.
2. Better understand the key roles played by community members and property managers throughout the creation of a mixed-income development.
3. Discuss how mixed-income development can lead to improved resident outcomes.
4. Discuss the challenges of mixed income developments and shared amenities and solutions to these issues.





Rachelle Levitt

Director, Research Utilization
Division Office of Policy
Development & Research
Department of Housing and Urban
Development
Washington, DC
Speaker



Julie DeGraaf Velazquez

Vice President/Project
Manager
McCormack Baron Salazar
St. Louis, MO
Speaker



Mark Joseph, Ph.D.

Associate Professor
Case Western
Reserve University
Cleveland, OH
Speaker



Michael P. Kelly

Director
Department of Housing and
Community Development
Washington, DC
Moderator

Submit a question to the moderator via the Chat
box. They will be answered as time allows.



Rachelle Levitt

Director, Research Utilization Division

Office of Policy Development and Research



Evidence Matters



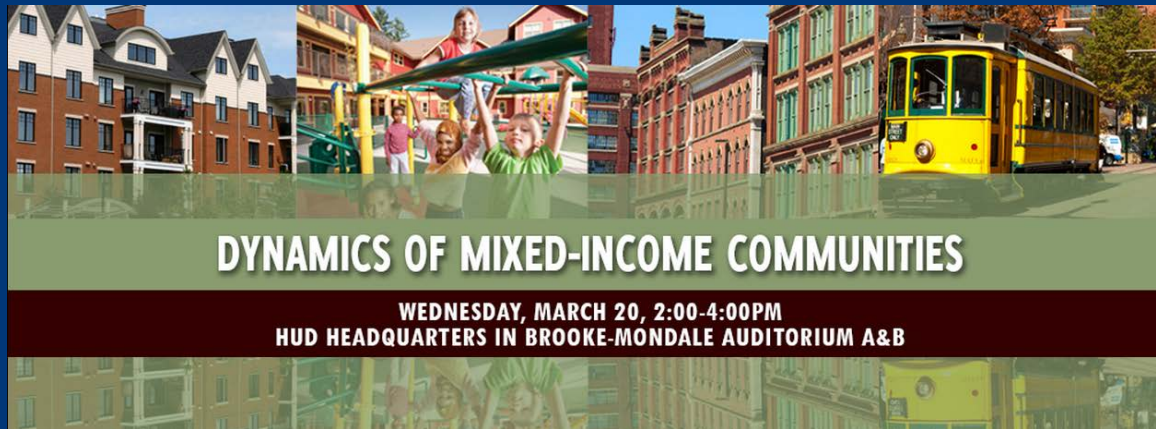
Spring 2013

Lead Article: Confronting Concentrated Poverty with a Mixed-Income Strategy

Research Spotlight: Mixed-Income Community Dynamics: Five Insights from Ethnography

In Practice: Inclusionary Zoning and Mixed-Income Communities

PD&R Quarterly Update



- Panels included:
 - **Laura Tach**, *Ethnographer, Assistant Professor, Cornell University*
 - **Mark Joseph**, *Associate Professor, Case Western Reserve University*
 - **Paul Freitag**, *Managing Director of Rose Development, Jonathan Rose Companies*
- Available at:
http://www.huduser.org/quarterly_briefing/march6_2013.html

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MCCORMACK BARON SALAZAR

Best Practices in Mixed-Income Housing Julie DeGraaf Velazquez



Our Strengths: History of Success in Mixed Income Development

McCormack Baron Salazar

40+ years of experience nationwide

\$2.6 billion in development in 35 cities

Over 17,000 units of housing, including rental, for-sale, family, senior, and special needs.

1.3 million square feet of commercial space, including retail (large and small), mixed-use, office, medical, educational, recreational, TOD, non-profit and art-related.

30 HOPE VI / Choice Neighborhood Sites

3 Choice Neighborhood Implementation Grants

\$90+ Million in 3 Choice Implementation Grants



Our Approach: Comprehensive Community Development



Outline

- **Genesis of Mixed-Income Communities**
- **Approach to Mixed-Income Communities**
- **Project Example: Harmony Oaks, New Orleans LA**

Mixed Income Development: Response to Failed Public Housing



Photo: St. Louis Post Dispatch

Mixed Income Communities: Investing in People and Place to Create Communities of Choice & Opportunity



Arthur A. Blumeyer Homes, St. Louis, MO



Community-Centered Planning Process

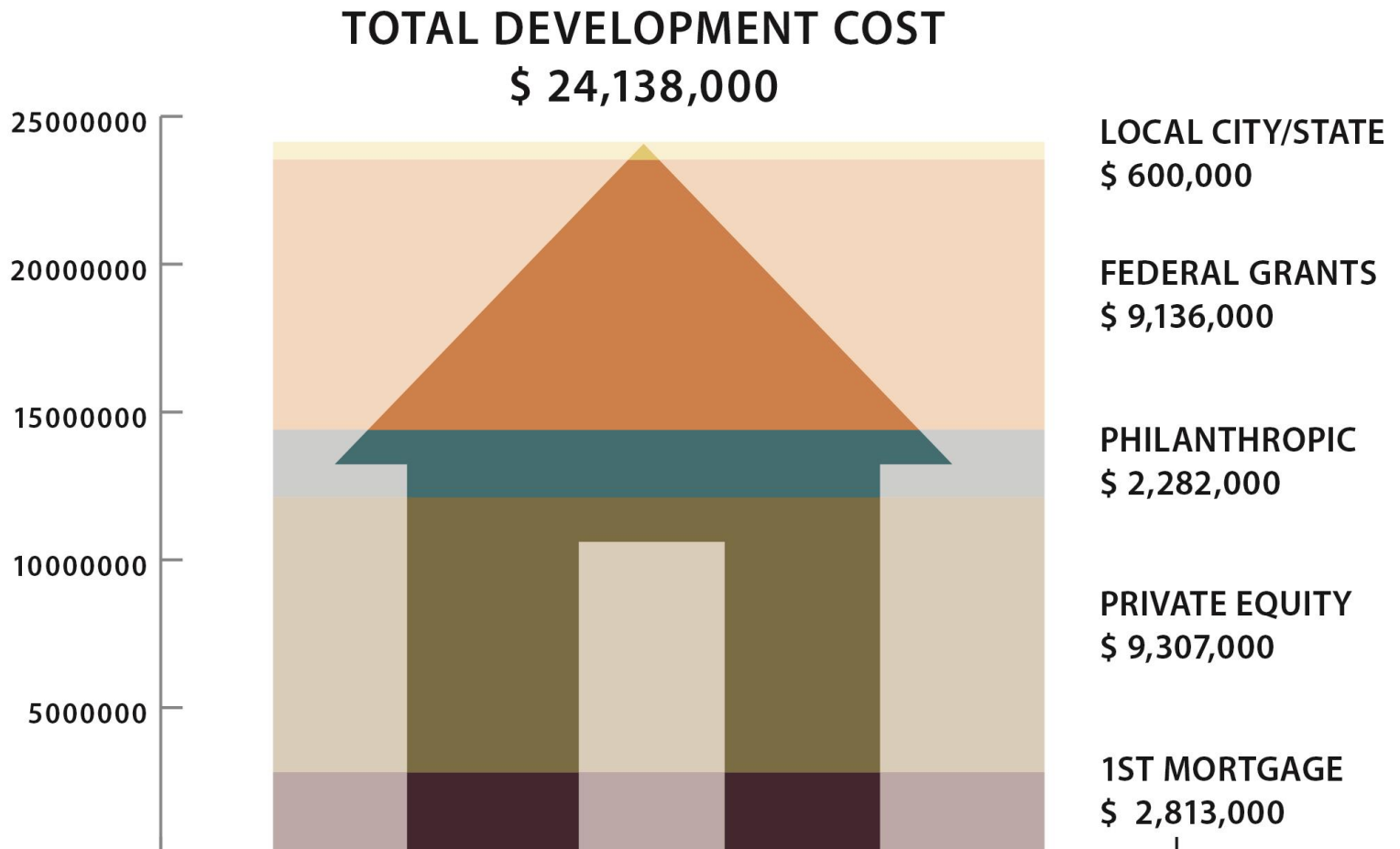
- Resident & stakeholder engagement
- Community planning process (charette)
- Human capital and physical plans
- Guiding principles of design:
 - Build connections to surrounding neighborhood, areas of strength
 - Pedestrian-scale
 - Complement architecture and scale of surrounding neighborhood
 - Sustainable design, construction and operations
 - Building types that are appropriate for the market, resident population



Mixed-Income, Intergenerational, Reconnected Community



Mixed Income Development: Leveraged Financing



Renaissance Place at Grand-Phase IV

120 Apartments

Part of Multi-phase HOPE VI

Mixed Income Development: Financing Considerations

Challenges without Mixed-Income

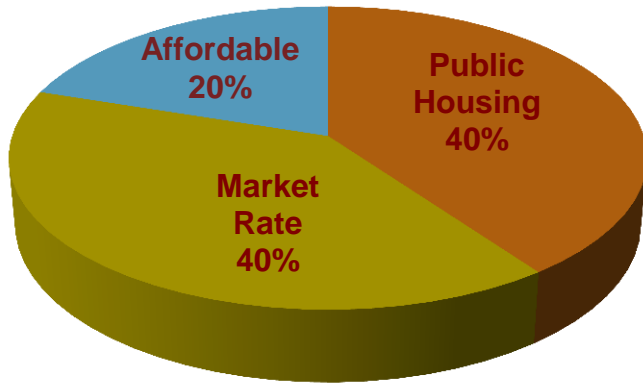
- Reliant on public subsidy, limited or no net cash flow
- Operating budget scaled to maintain minimum standards
- Limited ability to build reserves for operating and capital needs
- Little or no investment from the private sector

Opportunities with Mixed-Income

- Diverse income stream from subsidy and rent
- Operating budget scaled to maintain high standards
- Operating and replacement reserves are required
- Private sector investment brings resources (loans, equity), discipline of private market, accountability

Mixed Income Development: Determining the Mix

Sample Housing Mix



What type of mix?

- Balance of public housing assisted, affordable (“tax credit”) and unrestricted.
- One that fosters a community of shared values.

Why is an unrestricted component important?

- Attract and retain residents above 60% AMI income limits.
- Builds the market to catalyze additional investment.
- Leverages private debt, provides operating revenue.

Mixed Income Communities: Investment in People



- Help residents move up the economic ladder
- Leverage resources, programs, partnerships
- Training and education
- School improvements
- Economic development and employment
- Social events and Neighborhood Associations



Mixed-Income Communities: Market Rate Standards



- No apartment distinguishable from another based on type (subsidized or not)
- Attractive amenities in apartments and the community
- Well-maintained
- Meets current market expectations



Mixed-Income Communities: Market Rate Amenities



Mixed Income Development: Management Principles

Signs of a well-managed mixed-income community:

- Residents are engaged, feel a sense of ownership
- Attractive community in which the affordable units are indistinguishable from the market rate units
- Interior and exteriors of the buildings, as well the grounds and common areas, are maintained to market rate standards
- Places feel safe, and partnerships are in place with police and community stakeholders to prevent crime
- Property maintains compliance with myriad funding and reporting requirements.

Mixed Income Development: Management Principles

How is this accomplished?

- Provide the best possible service to all residents, regardless of income, and opportunities for social interaction.
- Maintain the most competitive position in the marketplace.
- Enhance the value of the property.
- Understand the human element in housing management.
- Implement a screening and selection process that is stringent, but fair and consistently applied across unit types.
- Competent, committed staff with an in-depth understanding of various funding programs and associated compliance requirements.

Investing in People & Place: *Harmony Oaks, New Orleans LA*



Project Timeline (460 units)

2007	<i>HOPE VI Grant Award</i>
December 2009	<i>Housing Construction</i>
2011	<i>Housing Complete</i>
December 2012	<i>School Complete</i>
September 2013	<i>Commercial Construction</i>

Investing in People & Place: *Harmony Oaks, New Orleans LA*



October 2008

C.J. Peete – New Orleans, Louisiana

- Formally one of the largest public housing developments in New Orleans (one of the Big 4)
- Severe neglect and disinvestment since 1970, with rising crime rates, diminished occupancy, significant barriers to upward mobility
- 1,403 units of low-income housing on 41.5 acres of land
- Average household income = \$981 per month
- 76% of households received housing support and/or public assistance
- 42% of adult residents with no high school diploma or GED

Investing in People & Place: *Harmony Oaks, New Orleans LA*



Physical Redevelopment

460 high-quality
mixed-income
rental units

193 PHA
(42%)

144 Affordable
(31%)

123 Market
(27%)

50 affordable
home-ownership
units

Community
center, parks,
infrastructure, a
new school, and
commercial and
small-business
opportunities

Investing in People & Place: *Harmony Oaks, New Orleans LA*



Human Capital Development

Individual and family focused case management and community supportive services

Resident engagement, leadership development and capacity building

Programs that promote health, safety and vitality

Investing in People & Place: *Harmony Oaks, New Orleans LA*



Before

- 40% of Households earned less than \$6,000 / yr
- 90-120 Violent Crimes per year (2 x City Rate)
- 42% of adult residents without H.S. completion
- 100% Public Housing



After

- 13% of Households earned less than \$6,000 / yr
- 4 Violent Crimes in 2011 (fivefold reduction)
- New K-8 KIPP School opened in January 2013
- Privately owned and managed; significant market rate waiting list. First move-in: market rate former public housing resident

Investing in People & Place: *Harmony Oaks, New Orleans LA*



Dynamics of Mixed-Income Development: Research Findings and Strategic Implications

Mark Joseph, Ph.D.

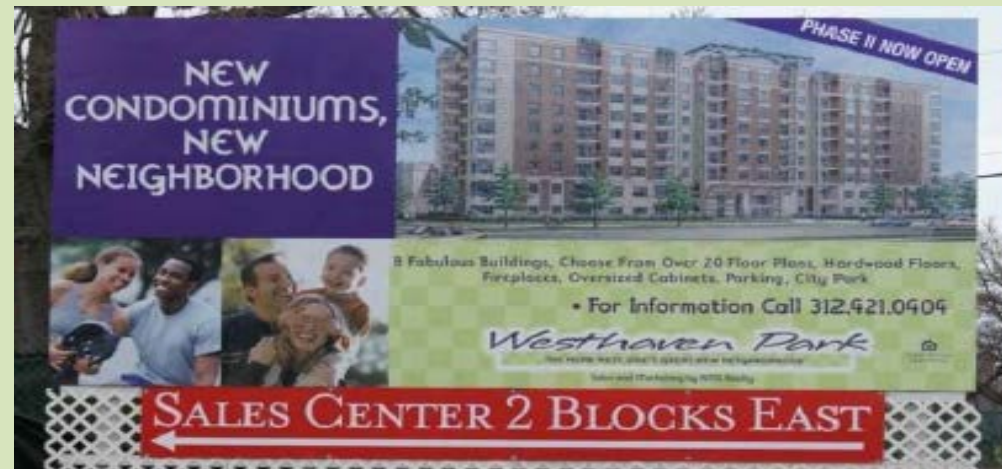
Associate Professor, Case Western Reserve University
Director, National Initiative on Mixed-Income Communities



American Institute of Architects – Education Webinar
June 10, 2013

Presentation Outline

- 1) Overview of mixed-income research
- 2) Defining “success” in mixed-income development
- 3) Key findings
- 4) Key strategic implications



Mixed-Income Research and Info-Gathering

- Choice Neighborhoods National Evaluation
 - Chicago Plan for Transformation
 - HOPESF, San Francisco
 - Cascade Village, Akron, OH
- Cleveland Choice Neighborhoods Planning Grant
- State of the Field Scan on “Social Dynamics”
(31 mixed-income developments)

Key Partners:

Urban Institute, University of Chicago, Learning for Action,
The Community Builders, City Architecture

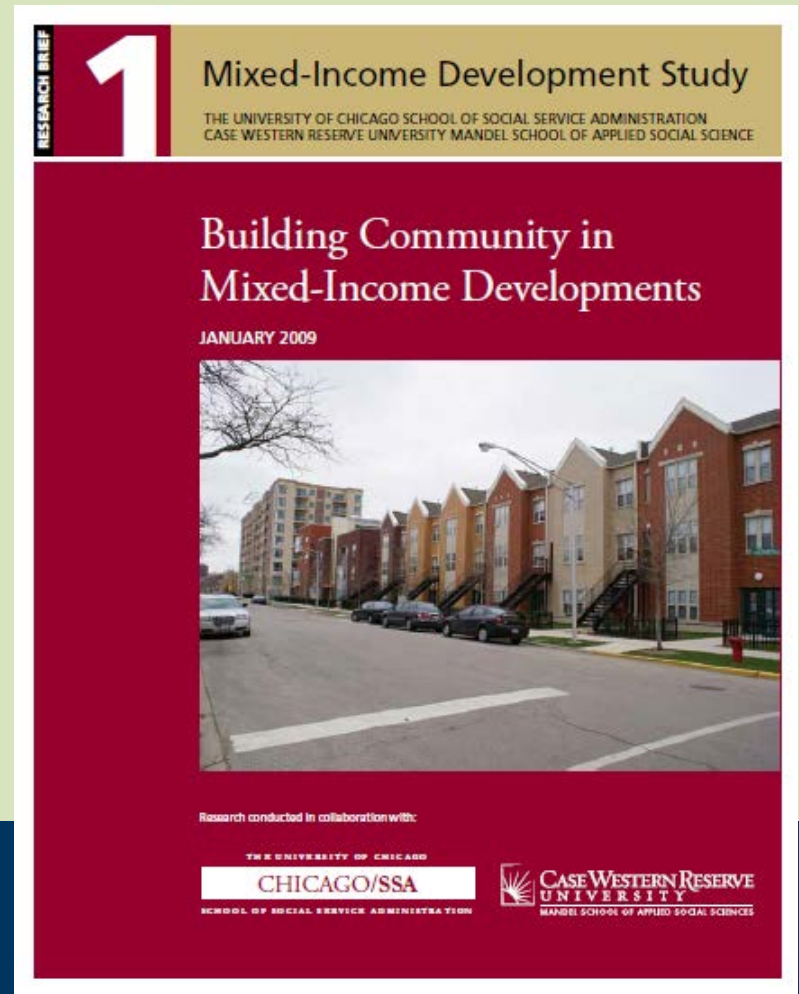
Data and Methods

- In-depth interviews
 - Baseline surveys
- Focus groups with residents
- Field observations of meetings and community activities
 - Document review
 - Administrative data analysis
- Resident advisory committee
 - Resident journals
 - Staff journals

Funders

- The U.S. Department of Housing and Urban Development
 - The John D. and Catherine T. MacArthur Foundation
 - The Annie E. Casey Foundation
 - The Campaign for HOPESF
 - The Knight Foundation
 - The Rockefeller Foundation
 - The Ford Foundation

Research Briefs and other research available!
National Initiative on Mixed-Income Communities
nimc.case.edu



Defining “Success” in Mixed-Income Developments

- 1) Promoting and sustaining mixed-occupancy
- 2) Increased quality of life: physical environment
- 3) Building community/”Effective neighboring”
- 4) Promoting individual social/economic mobility
- 5) Neighborhood impact: revitalization/gentrification

Key findings:

Resident Experiences

- Public housing residents
 - High satisfaction with physical environment
 - Challenges of social environment: sense of exclusion
- Higher-income residents
 - Location often the major benefit
 - Disappointment in social atmosphere

Key findings:

Social challenges

- Social isolation and alienation
- “Us versus them” social frictions/tensions
 - Norms of behavior and public space
 - Segregated associational structures
- Challenge of unsupervised youth

Emerging Findings from Scan of the Field

- Site representatives affirm high importance of social dynamics
- Staff roles, planning, and design very important to managing social relations
- Wide variety of approaches across different developments
- Can achieve relatively stable, functioning developments
- But have not yet achieved:
 - effective neighboring across differences, or
 - better social and economic trajectories for low-income families

Strategic Implications:

Mitigating “us versus them” social dynamics

- Marketing diverse, urban places
- Intentional vs. “organic” community-building
- Balancing goals, design, mix, and strategies
- Proactive mixed-income property management
- Inclusive decision-making : towards shared norms

Strategic Implications:

Changing social and economic trajectories

- Post-occupancy supports and services
 - Deep case management where needed
 - From services to capacity/network-building
 - Changing mindsets
- A strategic focus on youth
- The promise of asset-building?

For more information:
National Initiative on Mixed-Income Communities
nimc.case.edu

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Director, Research Utilization
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