



Residents of Highlands' Garden Village, a mixed-income, mixed-use development in Denver, Colorado, choose from for-sale, for-rent, market rate, and affordable units in a pedestrian-friendly community with nearby retail, transit, health, and outdoor recreation facilities.

Photo by Dressel-Martin Photography

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Confronting Concentrated Poverty With a Mixed-Income Strategy

A confluence of socioeconomic trends and significant historical events has led policymakers to develop a mixed-income housing strategy to support diverse communities and eliminate the effects of concentrated poverty. This article discusses these factors and policy responses, as well as the assumptions and expectations for mixed-income housing, the strategy's outcomes and effectiveness in addressing the barriers to opportunity that low-income families

face, and the strategy's implications for research and policy.

Mixed-income residential development is a deliberate strategy of mixing housing units with rents and prices at a variety of levels, including market-rate and subsidized units. Mixed-income communities can be as small as a single building or as large as master planned communities and neighborhood revitalization projects. The mixed-income

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Message from the Deputy Assistant Secretary

Two and a half years ago, we published the first issue of *Evidence Matters* on the topic of neighborhood revitalization, featuring a discussion of the Choice Neighborhoods program. Our goal was to shed light on how research on housing and community development issues has informed policymaking at federal, state, and local levels. Six issues later, we have covered topics ranging from the next generation of rental housing policy to low-income homeownership at a pivot point, explored what sustainability means and how to measure it, examined why some cities and regions are more resilient than others, and shared how HUD is using real-time data to improve its strategies to address homelessness.

Evidence Matters emerged in the midst of a growing call for evidence-based policymaking from the U.S. Office of Management and Budget, the U.S. Government Accountability

Office, and nonprofits like the Coalition for Evidence-Based Policy. These organizations often cite random controlled trials (RCTs) as the best (and sometimes the only) research upon which policy should be made or programs scaled up. The Office of Policy Development and Research has supported, and will continue to support, RCTs to inform policymaking; however, the mission of this publication is to share how we and others have wrestled with research findings using a variety of methodologies that may challenge existing or proposed policies. Evidence-based policymaking is also about the process of confronting the evidence and applying it to improve the quality of programs and the implementation of policies.

All the more reason why we are focusing this issue of *Evidence Matters* on what a mixed-methods approach contributes to our understanding of mixed-income communities. Mixed-methods research combines insights from qualitative, ethnographic research with more quantitative research. As the articles in this issue demonstrate, by combining findings on quantifiable outcomes such as employment, health, and safety with nuanced research on the development of community norms, resident interactions, and property management, we can reach a more comprehensive understanding that leads to better policy.

As a result of such research, current programs, particularly Choice Neighborhoods, expand the emphasis on meaningful resident engagement, linking with the entire range of a community's assets, and more comprehensive neighborhood revitalization. In his 2013 State of the Union address, President Obama committed to expanding Choice Neighborhoods as well as similar initiatives around the government in the form of Promise Zones, which target high-poverty neighborhoods with investments to transform them into places of opportunity that can attract private investment, improve education, and create jobs.

This is the last issue of *Evidence Matters* for which I will provide editorial direction. My tenure at HUD and in the Obama administration is complete, and I leave this publication in the excellent hands of a fabulous career team led by Todd Richardson, Rachelle Levitt, and Keith Fudge. I know that you will enjoy this issue and the issues to come. It has been a privilege to serve in this role. Thank you for your enthusiastic support of our work.

— Erika C. Poethig, *Deputy Assistant Secretary for Policy Development*

Editor's Note

Encouraging mixed-income developments is a key step toward building stronger, more inclusive communities. As some of our previous issues of *Evidence Matters* have discussed, these communities will also become resilient as they embrace mixed-use development strategies that allow residents to invest in their neighborhoods, access community amenities, and create safer streets. And when these mixed-income, mixed-use developments are also located near transit, residents have better access to employment opportunities, yielding a more effective, comprehensive approach to mixed-income community development.

Each of the articles in this issue of *Evidence Matters* touch on a different aspect of the work being done by policymakers, practitioners, and academics to create and understand mixed-income developments and communities. The lead article, "Confronting Concentrated Poverty With a Mixed-Income Strategy," summarizes the evolution of mixed-income strategies by HUD, local governments, and developers as well as the growing importance of these efforts in an era of increasing income stratification. In "Mixed-Income Community Dynamics: Five Insights From Ethnography," Cornell professor Laura Tach explains the important contributions ethnographic research has made toward understanding the community norms and policies that affect the lives of residents in mixed-income developments. "Inclusionary Zoning and Mixed-Income Communities" examines the inclusionary zoning strategies that New York City and Chicago have used to promote mixed-income communities.

I hope you find this issue of *Evidence Matters* enlightening. Our next issue will focus on the preservation of affordable housing. Please provide any feedback at www.huduser.org/forums.

— Rachele Levitt, *Director of Research Utilization Division*

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strategy has been used in four different contexts: special federal housing programs, state and local housing programs, density bonuses and other land-use regulation, and nonprogrammatic private investment.¹ The strategy gained nationwide momentum in the early 1990s with the authorization of HUD's HOPE VI program, and since then it has increasingly been used as a tool to reduce concentrations of public housing in high-poverty neighborhoods and combat the effects of poverty on families.² A recent Brookings Institution analysis concludes that concentrated poverty has five wide-ranging impacts: it limits educational opportunity for children, leads to increased crime rates and poor health outcomes, hinders wealth building, reduces private-sector investment and increases prices for goods and services, and raises costs for local governments.³ To the extent that intentional mixing of incomes can counter these effects and enhance residents' quality of life, HUD aims to use the mixed-income

Highlights

- Mixed-income strategies have become increasingly important as the United States confronts growing income inequality and residential segregation by income.
- Various factors, including income and tenure mix, design, location, amenities, access to services, and property management, are critical to building successful mixed-income developments. Mixed-income developers face the challenge of combining multiple funding sources while complying with the conditions of each source.
- Relocated low-income residents living in mixed-income communities praise their new living spaces and environments; higher-income residents tend to cite their communities' locations.

strategy to improve the economic viability of multifamily housing — particularly former public housing developments — and strengthen neighborhoods.⁴

Background

The convergence of several social and economic trends has intensified the nation's focus on mixed-income housing as a pathway toward upward mobility. U.S. cities have become more racially integrated; between 1960 and 2010, the percentage of the U.S. black population living in neighborhoods

where at least 80 percent of residents were also black dropped from 50 to 20 percent.⁵ This decline in residential segregation by race coincides with a rise in income inequality and residential segregation by income. William Julius Wilson first called attention to a dynamic relationship between race and income in *The Declining Significance of Race*.⁶ Wilson's analysis of the widening gap between higher- and lower-income black families revealed that higher-income blacks had increasing access to racially and economically diverse

neighborhoods over time, whereas the economic situation for blacks in the lowest income quintile, who were unable to be upwardly mobile, deteriorated after 1975.⁷ The divergent experiences of black households are part of a larger trend in income inequality in the United States. From the end of World War II until the 1970s, household incomes grew rapidly and at about the same rate for all income groups. After this point, income growth for middle- and lower-income groups slowed significantly while incomes at the top continued growing strongly (fig. 1).

This trend has coincided with greater segregation by income. A Pew Research Center analysis found that between 1980 and 2010, upper-income households living in majority upper-income census tracts doubled from 9 to 18 percent while the percentage of lower-income households in majority low-income census tracts grew from 23 to 28 percent.⁸ Researchers found in longitudinal studies (1970–2000) that income segregation increased with the growth of income inequality, largely due to upper-income households practicing self-segregation by moving

away from low-income neighborhoods as well as declining income among poor and middle-income families.⁹ The recession of the late 2000s exacerbated this trend. Kneebone et al. recently reported that the population in extreme-poverty neighborhoods — those in which 40 percent of residents live below the federal poverty level — rose by one-third between 2000 and 2005–09 to 10.5 percent of the U.S. population.¹⁰

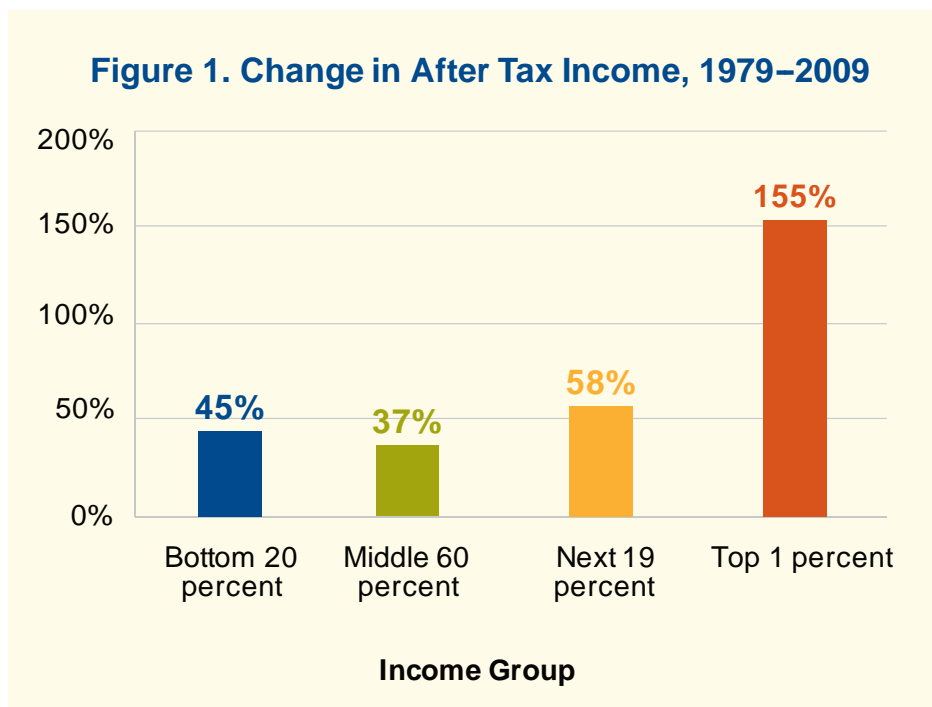
In addition to these socioeconomic trends, a succession of public housing law and policies, court decisions, and local regulatory practices led policymakers to consider mixed-income housing as an effective way to deconcentrate poverty, revitalize struggling neighborhoods, mitigate the negative effects of gentrification, and alleviate affordable housing shortages in high-demand areas (see “Emergence of the Mixed-Income Strategy,” p. 5).

Why Mixed-Income?

In 2007, the Social Science Research Council coordinated a Mixed-Income Research Design Group (MIRDG) comprised of scholars who identified

broad rationales for the mixed-income strategy.¹¹ A fundamental question confronting housing policymakers is whether poor people can be helped more through dispersal to better neighborhoods or by improving their current housing and neighborhoods.¹² MIRDG reasoned that although relocating poor families from public housing to lower-poverty neighborhoods has shown some positive results, as in the Moving to Opportunity (MTO) program, the neighborhoods to which these families moved were also isolating. They tended to be income-segregated neighborhoods with poor and middle-class families living in separate buildings, restricting the kind of social exchange that could lead to greater opportunity. Families in mixed-income communities, however, live closer to economically diverse neighbors who own or rent.¹³

One of MIRDG’s expectations for mixed-income housing was that lower-income residents who had lived in poverty with limited access to opportunities would benefit from proximity to higher-income, employed neighbors who would model opportunity pathways. MIRDG also noted that dispersal strategies such as MTO remove poor families from neighborhoods where their social ties and support systems are strongest, whereas mixed-income strategies enable families to “remain in familiar neighborhoods where they have long-time kin and friendship ties as well as access to public transportation.” A third rationale in favor of a mixed-income strategy, MIRDG decided, is the effort the mixed-income development team and its local partners make toward “creating a stable, high-quality community that is home to residents of very diverse backgrounds.” Because this team is composed of stakeholders responsible for all phases of a development from design to operation, it is able to facilitate neighboring, ensure equal access to services and amenities, and encourage residents to become involved in their community.¹⁴



Source: Chad Stone, Danilo Trisi, and Arloc Sherman. 2012. “A Guide to Statistics on Historical Trends in Income Inequality,” Center on Budget and Policy Priorities.

Emergence of the Mixed-Income Strategy

The strategy of mixing incomes to counter residential segregation and concentrated poverty gained momentum with significant developments in housing law and policies, court decisions, dispersal strategies, and local regulatory practices. Highlights of this history include:

- 1940s and 1950s: The large subdivisions built during the housing boom mostly excluded minorities.
- 1968: The Fair Housing Act prohibited racially restrictive covenants and lender redlining practices.
- 1969: The Brooke Amendments prohibited public housing agencies (PHAs) from setting minimum rents and capped rent payments for public housing residents at 25 percent of household income, making public housing more affordable for extremely poor households but reducing PHAs' operating revenues.
- 1970s: Inclusionary zoning (IZ) increasingly became a local tool for controlling and managing growth and affordable housing, resulting in mixed-income development (See "Inclusionary Zoning and Mixed-Income Communities," p.17).¹ As federal funding for housing declined in the 1980s and the shortage of affordable housing grew more acute, IZ programs became more widespread.²
- 1974: An amendment to the Housing Act of 1937 required PHAs to house low-income families with a wider range of incomes to increase revenues and lower federal subsidies.
- 1975: *South Burlington County NAACP v. Mount Laurel Township* (Mount Laurel II) forbade the use of local zoning regulations to prevent construction of affordable housing units in affluent areas.³
- 1976: *Gautreaux et al. v. Chicago Housing Authority* (CHA) prohibited CHA from building new public housing in mostly black areas of the city unless an equal number of units were built in racially diverse neighborhoods. Dense concentrations of public housing, including high-rises, were also prohibited.⁴
- 1980s: Dispersal strategies for deconcentrating poverty began when Section 8 tenant-based rental vouchers enabled assisted households to secure housing in their neighborhood of choice. An outgrowth of the *Gautreaux* ruling, the voucher program also provided supportive services that helped public housing residents move to better neighborhoods.
- 1981: An amendment to the Housing Act of 1937 limited participation in Section 8 and public housing programs to households earning less than 50 percent of the area median income, once again reinforcing the concentration of poverty.⁵
- 1993: The HOPE VI program began demolishing the nation's most distressed public housing and replacing it with mixed-income housing.⁶
- 1994: The Moving to Opportunity program provided vouchers, counseling, and assistance to public housing residents who chose to relocate to neighborhoods with lower levels of poverty.
- 2000: HUD's Rule to Deconcentrate Poverty and Promote Integration in Public Housing required PHAs to bring higher-income tenants into lower-income developments and lower-income tenants into higher-income developments.⁷

¹ Innovative Housing Initiative. 2010. "Inclusionary Housing Survey: Measures of Effectiveness."

² Alan Mallach and Nico Calavita. 2010. "United States: From Radical Innovation to Mainstream Housing Policy," in *Inclusionary Housing in International Perspective*, Nico Calavita and Alan Mallach, eds., Cambridge, MA: Lincoln Institute of Land Policy, 15–77.

³ New Jersey Digital Legal Library. n.d. "History of the Mount Laurel Decisions." Accessed 7 January 2013.

⁴ Stanford University Archives. n.d. "The Gautreaux Legacy." Accessed 11 January 2013.

⁵ Alistair Smith. 2002. "Mixed-Income Housing Developments: Promise and Reality," Joint Center for Housing Studies of Harvard University and Neighborhood Reinvestment Corporation.

⁶ Alex Schwartz and Kian Tajbakhsh. 1997. "Mixed-Income Housing: Unanswered Questions," *Cityscape: A Journal of Policy Development and Research* 3:2, 71–92; Susan J. Popkin, Larry F. Buron, Diane K. Levy, and Mary K. Cunningham. 2000. "The Gautreaux Legacy: What Might Mixed-Income and Dispersal Strategies Mean for the Poorest Public Housing Tenants?" *Housing Policy Debate* 11:4, 911–42.

⁷ U.S. Department of Housing and Urban Development. 2000. "Rule to Deconcentrate Poverty and Promote Integration in Public Housing," *Federal Register* 65:247, 22 December, 81214–29.

Mixed-Income Strategy

Developers planning a mixed-income community must first decide what income and tenure mix, location, amenities, access to services, and design are consistent with market demand. Current research does not identify an ideal configuration of these elements. Factors that shape these initial decisions about a planned development include policy interests, financial resources, location and land costs, market conditions, and construction schedules.¹⁵ Adhering to the basic tenets of real estate development and management that attend to these factors increases the chances that a mixed-income housing project will be

successful, according to Brophy and Smith's research.¹⁶

Design elements are important for marketing, for the integration of units (affordable, market, rental, homeownership), and for facilitating social interaction and community building among a diverse resident population. Affordable and market-rate units are generally indistinguishable from the exterior, but developers may or may not choose to use different materials in unit interiors. Good interior and exterior design features that are visually appealing and able to attract market-rate residents are essential; landscaping, soundproofing, common area decor,

balconies, and amenity packages all encourage potential residents to want to live there.¹⁷ Paul Freitag, managing director of Rose Development for Jonathan Rose Companies, suggests that to be competitive, these features "have to be what you provide to market-rate projects in that particular market. Once you have a sizeable market-rate element in a building, it has to function like a market-rate building." Freitag also stresses that amenities accessible to everyone; identical units for all; and shared features such as elevator banks, a unique green building, and community gardens provide common bonds among residents.¹⁸ Proximity to public transit, retail businesses and



Well-designed and attractive common areas, such as this garden, provide opportunities to relax, enjoy the outdoors, and socialize at Via Verde, a mixed-income development in the South Bronx.

services, and recreation areas also make a development attractive to potential renters and competitive with other housing options.¹⁹ Mark Joseph, associate professor at Case Western Reserve University and director of the National Initiative on Mixed-Income Communities, emphasizes that “whatever configuration you choose entails pros and cons. [These decisions] require being as savvy and cognizant as possible about the benefits and challenges of particular designs and configurations for attracting and sustaining residents in a mixed-income community.”²⁰

A mixed-income developer must also successfully combine multiple funding sources while complying with the conditions of each funding source.²¹ As the HOPE VI program began redeveloping and revitalizing distressed and aging public housing stock, policymakers soon realized that even very large federal grants could not cover the full costs of such projects and that they needed the participation of private investors. In 1998, the Quality Housing and Work Responsibility Act officially codified



Photo by Ruggiero Vanni

An interior view of a unit in Tapestry, Harlem’s first mixed-income residential building with LEED Gold certification. Units feature low-flow fixtures, Energy Star-rated appliances, and other amenities with market appeal to a wide range of incomes.

in the complexity of layering together the necessary funding,” according to Freitag.²⁴ Among the useful funding tools in this complex layering are state and local linkage fees and incentives such as low-interest financing, cash

lower-income residential community with a large student population. Mission Main has 120 one-bedroom units in a 7-story building, and the remaining 415 units consist of a combination of rowhouses and walkups; 83 percent of the units are affordable and 17 percent are market rate. The project was financed with a combination of city capital funds for infrastructure, a HOPE VI grant of \$50 million, \$28 million in local grant funds, and private funds obtained through the use of 4 percent and 9 percent LIHTCs. The first phase was completed using 4 percent tax credits and tax-exempt bond financing through the state’s housing finance agency. The bonds were collateralized by HOPE VI funds used for that phase. Phases 2 and 3 were financed with 9 percent tax credits allocated by the state’s Department of Housing and Community Development.²⁷

Despite the potentially broad range of funding sources and requirements, “the challenge is similar to that of any affordable housing project,” Freitag says, “except that it increases the complexity at least times two, and maybe

Property managers need to be skilled at building bridges between people with differences.

mixed, or public/private, financing for HOPE VI mixed-income projects. As Turbov and Piper explained, this action effectively “changed the role of Housing Authorities from producers, managers, and owners of low-income housing to that of lenders, partners, and regulators.”²² Thus, developers were allowed to use HUD funds to leverage private-sector debt and equity, other federal grants, capital financing, and contributions from philanthropic organizations to cover costs and build larger numbers of units.²³

The greatest challenge for developers of mixed-income housing is “inherent

subsidies and grants, land use policies, finance and tax incentives, density bonuses, and expedited permitting. Developers have also combined local tax abatements, tax-increment financing, government funds, and low-income housing tax credits (LIHTCs).^{25, 26}

One example of what leveraging makes possible is Boston’s Mission Main development. Here, HOPE VI funds accounted for only about 31 percent of the project’s total cost of approximately \$159 million. The mixed-financing approach allowed developers to build 535 public housing, tax-credit, and market-rate rental units in a stable,



Photo by Perry Rose

A natural foods grocery store within walking distance of Highlands' Garden Village appeals to residents of this mixed-income community in Denver.

more.” Developers with expertise and templates that help them through the planning and decision process for affordable housing need to modify their models to develop mixed-income housing. “For instance, one of the most powerful tools for developing affordable housing is the LIHTC, which is strictly income-capped,” Freitag explains. “People who earn over 60 percent of AMI cannot live in LIHTC housing. So if you want to do a project that combines LIHTC and market rate housing, by nature you have to create a building that has essentially two projects so that credits can flow into just the affordable units.” Mixed-income development also entails other demands that developers must anticipate, says Freitag, including “checks by people making sure that the dollars are going to the units for which they were appropriated, closings that require much more complex legal structures, bringing along all of the private and public investors and other stakeholders so that they can understand a complex project, and risks of delay due to the added complexity.”²⁸

Finally, the mixed-income developer must secure sound property management to safeguard the attractiveness and marketability of the project — and to take care of security, resident relations, trash collection, tenant selection, and lease enforcement.²⁹ Mixed-income properties are managed in various ways: onsite or offsite, by the developer’s staff or a property management company. The property manager is in a key, day-to-day position to shape the expectations of potential residents, facilitate constructive relationships among residents, and manage social interaction in a way that builds community.³⁰ Managers often create formal and informal opportunities for residents to meet and interact around shared interests, recreation, governance, and activities for youth, and they need to be skilled at building bridges between people with differences.³¹ Research confirms that management practices constitute a significant influence on residents and suggests that the property manager’s role must be clearly articulated.³² Lazar and Wilkins emphasize that a good property manager has

deliberate strategies for achieving positive outcomes, and Joseph underscores the importance of “having a strategy for promoting a successful mix that includes strong supports for building community and positive neighbor relationships. It’s not the case that social dynamics will take care of themselves naturally, that once you get people there, they will organically figure it out. Real *intentional* thought and action in how to help people to navigate a mixed-income community is necessary.”³³ Joseph also stresses the importance of the property manager’s role as a “mediator, connector, convener, and networker” with the most regular, ongoing contact with residents. Consequently, property managers need to have support, training, resources, and insight into how to build community.³⁴

Outcomes for Residents of Mixed-Income Communities

Relocated low-income residents living in mixed-income communities report benefits that mostly concern improvements in their living spaces and environments; by contrast, higher-income residents tend to praise the communities’ locations.³⁵ In interviews, Chicago residents who had moved from public housing to a mixed-income development described the physical quality of their housing units and the immediate environment as markedly better than that of their previous residences. Most felt more secure and less stressed in their new or improved housing, reported psychological benefits, and appreciated the peace and quiet. Such benefits have positive implications for physical and mental health. Other stressors, however, have also emerged.³⁶ Many interviewees from three mixed-income sites told McCormick et al. that their relief in shedding the stigma of living in disreputable public housing projects was replaced with the sense of being stigmatized by their higher-income neighbors and by property management’s “intrusive screening and vigilant monitoring.” Whereas former public housing residents feel

excluded and unwelcome, higher-income residents tend to be disappointed in their neighbors and in the social atmosphere.³⁷

The mixed-income strategy is about housing, but it is also about the dynamics of building community. Although some hypothesized that mixed-income settings would improve socioeconomic opportunities for the poor through social and cross-income interaction and behavioral modeling, research finds that most resident interaction is casual, instrumental, and more likely to occur among those who share common socioeconomic backgrounds and housing tenures.³⁸ Joseph explains that “what we’re looking for is a standard of effective neighboring, in which residents know their neighbors well enough to work together constructively to solve problems. We’re not there yet, in large

part.”³⁹ To prevent social cleavages, Joseph stresses that it is important to “anticipate the realities of ‘us *vs.* them’ dynamics that emerge quite quickly and readily in these new environments. For people coming in, it’s almost readymade that they will identify who is part of ‘our’ group or who is in ‘that’ group. We are primed, unfortunately, in American society to have a sense of our group affiliation and a sense of stigmatization about the other, whoever that other might be.”⁴⁰

Research shows that low-income residents who formerly lived in public housing have realized little or no economic or educational benefit from living in a new mixed-income setting.⁴¹ If more job opportunities exist due to the mixed-income strategy, Briggs has noted there is no certainty that

low-income job seekers will be able to access them or that the jobs will be of the type that will help families become more self-sufficient. The evidence of sustained educational gains for children who have moved into a mixed-income community is also slight.⁴² However, the role-modeling hypothesis may hold for children who have formerly lived in public housing in that they see a broader range of adults in their community. “I think if you’d talk to the parents in a mixed-income community, they’d say they like the fact their kids see lawyers and doctors and a range of people and races,” says Joseph.⁴³

Without evidence that mixed-income housing significantly improves economic well-being or stimulates social ties and behavioral modeling, Goetz suggests that the assumptions



Property managers are key to facilitating constructive social interactions and community building experiences, as shown in this outdoor movie event on the commons of Highlands' Garden Village.

underlying the mixed-income model fail to recognize the complexity of the sought-after social and economic objectives. “Changes in employment, income, health, and social interactions involve systems that are complex and not fully determined by environment,” notes Goetz.⁴⁴ Stakeholders, policy-makers, and researchers continue to suggest, however, that mixed-income approaches have potential for promoting effective neighboring relationships and creating new opportunity trajectories for low-income residents.⁴⁵ The mixed-income housing strategy is successful in providing a safe environment with good quality, affordable housing in lower-poverty neighborhoods near desired resources, amenities, and services. In this sense, the strategy provides a stable platform from which low-income families may be able to improve their life chances.⁴⁶ Researchers tend to agree that these families will need additional support to be able to change their economic and social trajectories — deep supports and services that will help equip these families with the necessary tools to enhance their self-sufficiency.⁴⁷

Moving Forward

The mixed-income approach has deconcentrated poverty at sites and in

Mixed-income housing provides a stable platform from which low-income families may be able to improve their opportunity trajectories.

neighborhoods where poverty rates were generally at their highest. Thus far, market demand for units in mixed-income developments has continued, and there is optimism that these communities will remain viable and marketable.⁴⁸ Low-income residents who have relocated to these neighborhoods enjoy affordable housing, better living spaces and environments, improved health, and markedly increased feelings of safety and security. Although the mixed-income housing approach may not resolve all the barriers to self-sufficiency, it appears to be an important component of the response to concentrated poverty and to have potential for positively affecting the affordable housing supply, in addition to local economies and revenue bases.⁴⁹ As Alan Mallach suggests, “While the advantages of integration are uncertain, the disadvantages of residualization and poverty concentration, which are the inevitable by-product of the absence of spatial integration in a market-oriented polity, are compelling.”⁵⁰

To what extent social cohesion and a sense of community may occur across different types of residents who rent or own, have low or high incomes, live in subsidized or unsubsidized units, and represent a variety of races and ethnicities is uncertain. To what degree this sense of community is necessary for low-income families to gain the opportunity for economic self-sufficiency and a better life is also unclear.⁵¹

After a thorough review of the available research on the effects of the mixed-income strategy, Levy et al. concluded that more and better research is badly needed. Many unanswered questions persist about the strategy, along with a lack of data on all the mixed-income developments and redevelopments that would make the pursuit of a cross-site, comparative research agenda possible. These data would allow rigorous comparisons, for example, of the effects of different income and tenure mixes, resident governance structures, educational outcomes for children, and design impacts on resident interaction.⁵² This agenda could also inform housing policy by testing and refining assumptions about combating severe poverty and clarifying how mixed-income strategies can be most effective in that battle. Efforts to expand this knowledge are ongoing. The National Initiative on Mixed-Income Communities, for example, is collecting data on social dynamics in 30 mixed-income developments nationwide and planning a centralized database of information on mixed-income communities.⁵³ In another research initiative, the Urban Institute is conducting a multisite Housing Opportunity and Services Together demonstration designed to test models for improving the life chances of low-income residents of public and mixed-income housing communities.⁵⁴

The National Initiative on Mixed-Income Communities

Case Western Reserve University is launching a new resource for research and information about mixed-income communities. The National Initiative on Mixed-Income Communities (NIMC) will promote more effective policy and practice for building successful mixed-income communities by conducting and supporting research and evaluation; providing technical assistance and consultation; convening a national research network, seminars, and other workshops; and centralizing information on mixed-income developments in an online data repository.

Find links to research findings and other information at nimc.case.edu. NIMC is directed by Mark Joseph, Ph.D., associate professor at the Mandel School of Applied Social Sciences at Case Western Reserve University, and supported with startup funding from the Annie E. Casey Foundation.

While policymakers and researchers are evaluating outcomes and underlying assumptions of the mixed-income model, HUD is taking lessons learned from HOPE VI beyond the focus on mixed-income housing to HUD's Choice Neighborhoods Initiative, a holistic strategy that enhances housing and neighborhoods and coordinates positive outcomes for the people who live there. Choice Neighborhoods is the logical next step in transforming distressed public and assisted housing projects into viable and sustainable mixed-income neighborhoods. Within this broader approach to concentrated poverty, local governments, nonprofits, and for-profit developers are joining public housing agencies to link housing improvements with appropriate services, schools, public assets, transportation, and access to jobs. [EM](#)

¹ Alex Schwartz and Kian Tajbakhsh. 1997. "Mixed-Income Housing: Unanswered Questions," *Cityscape: A Journal of Policy Development and Research* 3:2, 71–92.

² Comptroller General of the United States. 1979. "Serving a Broader Economic Range of Families in Public Housing Could Reduce Operating Subsidies," U.S. General Accounting Office; U.S. Department of Housing and Urban Development. 2003. "Mixed-Income Housing and the HOME Program," Office of Community Planning and Development.

³ Elizabeth Kneebone, Carey Nadeau, and Alan Berube. 2011. "The Re-Emergence of Concentrated Poverty: Metropolitan Trends in the 2000s," Metropolitan Policy Program at Brookings Institution.

⁴ U.S. Department of Housing and Urban Development. 1997. "FHA's Mixed-Income Housing Underwriting Guidelines," Notice H 97-12 (HUD).

⁵ Edward Glaeser and Jacob Vigdor. 2012. "The End of the Segregated Century: Racial Separation in America's Neighborhoods, 1890–2010," *Civic Report* 66, Center for State and Local Leadership at the Manhattan Institute.

⁶ William Julius Wilson. 2011. "The Declining Significance of Race: Revisited & Revised," The American Academy of Arts & Sciences.

⁷ Ibid.; U.S. Census Bureau CPS Annual Social and Economic Supplement, Table F-2, "Share of Aggregate Income Received by Each Fifth and Top 5 Percent of Black Families: 1966 to 2010."

⁸ Richard Fry and Paul Taylor. 2012. "The Rise of Residential Segregation by Income," Pew Research Center.

⁹ Sean F. Reardon and Kendra Bischoff. 2011. "Income Inequality and Income Segregation," *American Journal of Sociology* 116:4, 1092–1153; Tara Watson. 2009. "Inequality and the Measurement of Residential Segregation by Income in American Neighborhoods," *Review of Income and Wealth* 55:3, 820–44.

¹⁰ Kneebone et al.

¹¹ Xavier de Souza Briggs, Greg Duncan, Katherin Edin, et al. 2009. "Research Designs for the Study of Mixed-Income Housing," California Center for Population Research, University of California-Los Angeles, 14.

¹² Sheila Crowley and Danilo Pelletiere. 2012. "Afford-

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¹³ Briggs et al.

¹⁴ Ibid.

¹⁵ U.S. Department of Housing and Urban Development. 2003, 55–7; Diane K. Levy, Zach McDade, and Kassie Dumlao. 2010. "Effects From Living in Mixed-Income Communities for Low-Income Families," Urban Institute.

¹⁶ Paul C. Brophy and Rhonda N. Smith. 1997. "Mixed-Income Housing: Factors for Success," *Cityscape: A Journal of Policy Development and Research* 3:2, 3–31.

¹⁷ Levy et al.

¹⁸ Paul Freitag. 2013. Seminar presentation for "Dynamics of Mixed-Income Communities," U.S. Department of Housing and Urban Development, Washington DC, 20 March.

¹⁹ U.S. Department of Housing and Urban Development, 2003.

²⁰ Interview with Mark Joseph, February 2013.

²¹ U.S. Department of Housing and Urban Development, 2003.

²² Mindy Turbov and Valerie Piper. 2005. "HOPE VI and Mixed-Finance Redevelopments: A Catalyst for Neighborhood Renewal — A Discussion Paper Prepared for The Brookings Institution Metropolitan Program," *Journal of Affordable Housing and Community Development Law* 15:1, 27–103.

²³ Susan J. Popkin, Bruce Katz, Mary K. Cunningham, Karen D. Brown, Jeremy Gustafson, and Margery A. Turner. 2004. "A Decade of HOPE VI: Research Findings and Policy Challenges," Urban Institute and Brookings Institution.

²⁴ Interview with Paul Freitag, February 2013.

²⁵ Schwartz and Tajbakhsh; U.S. Department of Housing and Urban Development, 2003.

²⁶ Available federal resources include Community Development Block Grant (CDBG) funds and HOME Investment Partnerships (HOME) program dollars, both of which local communities use in implementing their local affordable housing plans. HOME and CDBG, as with all funding sources, have their unique administrative requirements that effect planning for a development. HOME dollars, for example, only apply to affordable units for low- or very low-income households that retain their identity as HOME-assisted units and remain affordable over time. If CDBG funds are layered into a financing package, a development's income mix also has to be such that 51 percent of CDBG-rehabilitated rental units are reserved for low- or moderate-income households with incomes at or below 80 percent of area median income. In newly constructed rentals, the mix of incomes can be set according to the proportion of the total project cost borne by CDBG funds, as long as 20 percent of the new units are affordable. U.S. Department of Housing and Urban Development, 2003.

²⁷ Mary Joel Holin, Larry Buron, Gretchen Locke, and Alvaro Cortes. 2003. "Interim Assessment of the HOPE VI Program Cross-Site Report," Abt Associates; Boston Housing Authority, "Mission Main" website (<http://www.bostonhousing.org/detpages/dept-info154.html>). Accessed 26 February 2013.

²⁸ Interview with Paul Freitag.

²⁹ U.S. Department of Housing and Urban Development, 2003.

³⁰ Erin M. Graves. 2011. "Mixed Outcome Developments: Comparing Policy Goals to Resident Outcomes in Mixed-Income Housing," *Journal of the American Planning Association* 77:2, 143–53; Naomi J. McCormick, Mark L. Joseph, and Robert J. Chaskin. 2012. "The New Stigma of Relocated Public Housing Residents: Challenges to Social Identity in Mixed-Income Developments," *City & Community* 11:3, 285–308.

³¹ Robert J. Chaskin and Mark L. Joseph. 2010. "Building "Community" in Mixed-Income Developments: Assumptions, Approaches, and Early Experiences," *Urban Affairs Review* 45:3, 299–335.

³² Graves; McCormick et al.; U.S. Department of Housing and Urban Development, 2003.

³³ Ellen Lazar and Charles S. Wilkins. 2003. "Framing Mixed-Income Housing's Greatest Challenges," *The NeighborWorks Journal*, edited proceedings of the Neighborhood Reinvestment Corporation Symposium, Chicago, Illinois, 4 April; Interview with Mark Joseph.

³⁴ Interview with Mark Joseph.

³⁵ McCormick et al.; Brophy and Smith.

³⁶ Mark Joseph and Robert Chaskin. 2010. "Living in a Mixed-Income Development: Resident Perceptions of the Benefits and Disadvantages of Two Developments in Chicago," *Urban Studies* 47:11, 2347–66.

³⁷ McCormick et al.

³⁸ Ibid.; Robert J. Chaskin and Mark L. Joseph. 2011. "Social Interaction in Mixed-Income Developments: Relational Expectations and Emerging Reality," *Journal of Urban Affairs* 33:2, 209–37.

³⁹ Mark Joseph. 2013. Seminar presentation for "Dynamics of Mixed-Income Communities," U.S. Department of Housing and Urban Development, Washington DC, 20 March.

⁴⁰ Interview with Mark Joseph.

⁴¹ Levy et al.; Edward G. Goetz. 2010. "Better Neighborhoods, Better Outcomes? Explaining Relocation Outcomes in HOPE VI," *Cityscape: A Journal of Policy Development and Research* 12:1, 5–32.

⁴² Levy et al.; Chaskin and Joseph. 2011.

⁴³ Interview with Mark Joseph.

⁴⁴ Goetz.

⁴⁵ "Dynamics of Mixed-Income Communities." 2013. Seminar hosted by U.S. Department of Housing and Urban Development, Washington DC, 20 March; Graves.

⁴⁶ Alistair Smith. 2002. "Mixed-Income Housing Developments: Promise and Reality," Joint Center for Housing Studies of Harvard University and Neighborhood Reinvestment Corporation.

⁴⁷ Ibid.; Schwartz and Tajbakhsh; Mark Joseph seminar presentation.

⁴⁸ Joseph and Chaskin. 2010.

⁴⁹ Mark Joseph. 2006. "Is Mixed-Income Development an Antidote to Urban Poverty?" *Housing Policy Debate* 17:2, 209–34.

⁵⁰ Alan Mallach. 2010. "Inclusionary Housing and the goal of social inclusion: policy choices in cross-national perspective." Presentation at Comparative Housing Research - Approaches and Policy Challenges in a New International Era," TU Delft, the Netherlands, 24–25 March.

⁵¹ Lynne C. Manzo and Douglas D. Perkins. 2006. "Finding Common Ground: The Importance of Place Attachment to Community Participation and Planning," *Journal of Planning Literature* 20:4, 335–50.

⁵² Levy et al.

⁵³ National Initiative on Mixed-Income Communities. 2013. "Overview," Case Western Reserve University, Mandel School of Applied Social Sciences. Accessed 21 March 2013.

⁵⁴ Urban Institute. 2013. "HUD Partner Reports: The Housing Opportunity and Services Together (HOST) Demonstration," *PD&R Edge*. Accessed 20 March 2013; Susan J. Popkin. 2012. "Testimony for Hearing on the Choice Neighborhoods Initiative: A New Community Development Model," U.S. Senate Committee on Banking, Housing, and Urban Affairs, Subcommittee on Housing Transportation, and Community Development.

Mixed-Income Community Dynamics: Five Insights From Ethnography

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Mixed-income neighborhoods have become objects of policy and research attention, and a number of research initiatives have used survey and administrative data to assess the effects of mixed-income policies on resident and neighborhood well-being. Ethnographic methods, a form of qualitative research defined by in-depth observations of social settings, offer an important complement to this quantitative research. An emerging body of ethnographic research on mixed-income neighborhoods uncovers how residents make sense of their economically diverse surroundings and how they interact with neighbors and institutions in ways that influence personal and community well-being.

Ethnographic Methods

Ethnography is a form of qualitative research defined by in-depth observations of people in their natural surroundings over an extended period of time. The primary form of ethnographic data collection is *participant observation*, in which researchers observe people interacting in particular social settings and keep written, oral, and visual records of their observations. Although participant observation is ethnography's defining feature, ethnographers often supplement their observations with other forms of qualitative data collection. These forms include *in-depth interviews*, in which researchers ask open-ended questions designed to uncover the motivations and meanings behind the behaviors they observe, and *content analysis*, in which researchers analyze the substance

Highlights

- The ideal of inclusive, cross-class interaction in mixed-income communities is often undermined by the enforcement of social order, including management actions that restrict social gatherings in public spaces and rules relating to housekeeping and noise levels.
- Residents of mixed-income neighborhoods share a desire for high-quality neighborhood institutions and amenities, but they do not always agree on what "high quality" means.
- Attentive design of affordable housing can reduce class-based stigma and promote resident engagement.

and meaning of written or visual secondary materials such as newspapers, television shows, and advertisements.

The objectives of these qualitative research methods are different from, but complementary to, the objectives of quantitative research. Most quantitative research is deductive, beginning with a specific predetermined hypothesis that dictates what data are collected and analyzed. Data are collected using

Qualitative research is also interpretive, asking "how" and "why" rather than "how many." For example, instead of asking how common a behavior is, qualitative researchers ask about the meaning of that behavior. In particular, ethnographers discern meaning by observing the interactions, reactions, and interpretations of behaviors as they unfold in social settings. Because this process requires intensive and extended observation, ethnographers

Ethnographers discern meaning by observing the interactions, reactions, and interpretations of behaviors as they unfold in social settings.

a standardized method, with the same questions asked of a large, representative sample of a population. The data are then quantified to reveal the frequency of behaviors or attitudes. The quantitative approach is best for answering "how many" or "how common" research questions.

Qualitative research, by contrast, is inductive. Rather than determining all hypotheses in advance, qualitative researchers allow for discovery during the research process — one does not always know what is meaningful or important before starting the research. Qualitative data analysis is an iterative process in which researchers analyze the data as they are collected and adapt their data collection methods as they discover the meaningful and important aspects of a particular social setting.

typically focus on observation quality rather than quantity and aim for a rich, detailed understanding of a small number of social settings.

Insights From Ethnography

A small but growing number of researchers have conducted ethnographic studies of mixed-income communities. Some studies have examined mixed-income housing developments, whereas others have examined larger mixed-income neighborhoods. Development-level ethnographies have focused primarily on mixed-income developments funded by HOPE VI to redevelop public housing, although the developments studied have different sizes, racial compositions, and income distributions. Neighborhood-level ethnographies have examined a broader array of mixed-income neighborhoods,

including both gentrifying and stable mixed-income areas and areas created through a range of project-based and scattered-site subsidized housing; these neighborhoods also varied in their demographic and economic composition. These ethnographies focus on different places and ask different research questions, but taken together they reveal several common themes about the dynamics of mixed-income communities.

1) Residents of mixed-income neighborhoods organize around social identities other than income.

By definition, mixed-income neighborhoods contain residents with a range of incomes. Residents cannot “see” the incomes of their neighbors; instead, they recognize that they live in a mixed-income area through more visible social categories that are correlated with income, such as housing type (homeowner, renter, or subsidized renter), length of residence, and race/ethnicity. Ethnographers have found that residents of mixed-income neighborhoods view their neighborhoods through these more visible social categories and organize around them.

For example, Mary Pattillo conducted a nine-year ethnography of North Kenwood–Oakland (NKO), an African American neighborhood on Chicago’s South Side undergoing widespread African American gentrification; since the 1990s, new construction and rehabilitation have flourished and public housing has been redeveloped through the HOPE VI program. Pattillo purchased a home in NKO in 1998, and since then she has conducted more than 100 interviews with residents and community stakeholders, participated in public meetings and neighborhood gatherings, and collected secondary materials such as newspaper articles and flyers.¹ Pattillo found that relationships among residents of different incomes in NKO were structured by tenure length and housing type. Echoing themes found in many ethnographies of mixed-income and gentrifying neighborhoods, Pattillo found that tensions between homeowners and public housing residents — and between more affluent newcomers and long-term working class residents — emerged over the role of schools, the siting of affordable housing, and the appropriate uses of public space. Ethnographies of individual mixed-income

housing developments have also found that housing type and tenure length are means by which residents create shared identities and organize to address their needs.²

Housing type, length of residence, and race/ethnicity are not mutually exclusive categories, however, and they do not completely determine residents’ behavior. Interactions among these groups can be friendly and even supportive, especially when an identity, such as parenthood or race, is held in common. Despite conflicts between African-American homeowners and public housing residents in Pattillo’s NKO neighborhood, a sense of shared fate based on common racial identity led homeowners to advocate on behalf of their public housing neighbors in meetings with city officials. Ethnographers have also observed examples of neighboring behaviors and tentative social bonds forming between homeowners and public housing residents when living side by side in new HOPE VI developments.³

2) The ideal of inclusive, cross-class interaction is often undermined by the enforcement of social order.

Surveys of residents of mixed-income neighborhoods reveal that they value living in a diverse area, but ethnographers who observe residents in their daily lives have found that these stated values are sometimes overshadowed by the enforcement of social order. This is what Erin Graves found in her ethnography of Maverick Landing, a racially diverse HOPE VI development in Boston in which she lived for a year, attended meetings, conducted interviews, and observed informal interactions. The 230-unit rental development was constructed in 2005; about three-quarters of the units were subsidized and the rest were market rate. Graves found that management actions dissuaded resident interaction, including rules prohibiting social gatherings in public spaces that were deemed loitering, housekeeping checks applied to



Mixed-income developments integrated among other housing and a park in South Boston.

subsidized but not market-rate tenants, and rules requiring quietness and orderliness that restricted bike-riding or music in common spaces.⁴ Graves found that managers instituted these rules and policies to appease market-rate residents' complaints and concerns, and subsidized residents felt constrained by these rules and policies.

Similar dynamics were observed in an ethnography of another Boston HOPE VI development called Orchard Gardens, a 331-unit development completed in 2000; 15 percent of the development's units were market rate and 85 percent were subsidized, with subsidized units reserved for households with incomes ranging from 10 to 80 percent of area median income. In her 1-year ethnography of Orchard Gardens, in which she conducted in-depth interviews and observed public spaces, Laura Tach found that management, citing the need for resident safety, enacted policies prohibiting residents from sitting on their front stoops; residents were encouraged instead to

socialize in their backyards or inside.⁵ The police were called if residents congregated on front stoops or in the streets. Lower-income residents reported feeling constrained by, and resentful of, these policies, whereas market-rate residents did not. Ethnographies of larger mixed-income neighborhoods have also identified policies and ordinances, enacted for reasons of safety and quality of life, that restrict activities in public spaces and disproportionately affect lower-income residents.⁶

3) Residents of mixed-income neighborhoods have a common desire for high-quality neighborhood institutions and amenities, but they do not always agree on what "high quality" means.

Residents of mixed-income neighborhoods share a common desire for high-quality neighborhood institutions and amenities such as schools, businesses, and parks, offering the possibility of cross-class coalitions around these goals. But ethnographers have found that the ability to work together can

be undermined by differences in what higher- and lower-income residents consider "high quality." For example, Pattillo found that residents of the mixed-income neighborhood of NKO shared a desire to improve school quality, but class-based tensions emerged over the best solution.⁷ Lower-income residents wanted officials to restore existing neighborhood schools, whereas higher-income residents wanted options for selective enrollment schools; the higher-income residents ultimately prevailed.

Tach observed similar conflicts in her ethnographic study of South End, a mixed-income, mixed-race neighborhood in Boston that contains public housing and properties built with low-income housing tax credits nestled between million-dollar brownstones and condominiums. Tach found that both lower- and higher-income residents wanted retail establishments in their neighborhood, but they had different preferences and financial means that shaped the types of retail



In Martin Luther King Plaza in Philadelphia, police mobile unit surveillance led to reduced use of outdoor spaces.

establishments they utilized, resulting in tensions over the use of existing and proposed commercial spaces for high-end and discount grocery stores, coffee shops, dollar stores, and sit-down and carryout restaurants.⁸ Michael Maly's ethnographies of the racially diverse communities of Uptown in Chicago and Jackson Heights in Queens identified similar conflicts and found that successful compromises were possible when local leaders formed inclusive

sometimes competing — visions of their community's identity. Examples of identity “rebranding” abound: HOPE VI developments give former public housing projects new names, and business districts are renamed as part of revitalization efforts. Many private investors and newcomers believe that such changes promote investment and growth. Although some long-term residents of these rebranded communities appreciate the reduced stigma that

to their buildings, and many subsidized tenants also appreciate the status and convenience that come with high-end amenities. However, ethnographic data also reveal that these methods project a subtle message about who “belongs” in the development — whose voice is heard and whose needs are valued — and these subtle forms of exclusion dampen the efficacy and engagement of subsidized residents. In rarer cases, these marketing strategies backfire when market-rate residents express anger and flee after discovering the subsidized units. These methods clearly serve the short-term goal of leasing units, but they may also undermine longer-term goals of effective neighboring and community cohesion.

Residents of mixed-income neighborhoods share a common desire for high-quality neighborhood institutions and amenities.

community organizations that represented the diverse business interests in the neighborhood.⁹

Neighborhood organizations and resident associations offer outlets for residents to network and take collective action, but ethnographers have found that residents of mixed-income communities have struggled to find the ideal composition and actions for these organizations. Some neighborhoods and developments have separate associations for homeowners and public housing residents whereas others have adopted communitywide membership, although the activities of the latter organizations are frequently dominated by either homeowners or public housing residents.¹⁰ Although collaborative cross-class and cross-tenure organizations can be difficult to maintain, they can be effective when founded and managed by trusted local neighborhood leaders who publicly support equal representation.

4) Neighborhood identity is malleable and contested in mixed-income communities.

Quantitative research shows that mixed-income neighborhoods have dynamic, changing populations. Ethnographers have found that this fluidity results in stakeholders with different — and

accompanies rebranding, others resent the erasure of their community's former identity. In her ethnography of the Orchard Gardens HOPE VI development in Boston, for example, Tach found that residents who resented their neighborhood's transformation continued to refer to the neighborhood by its public housing moniker, whereas residents who supported the transformation used the new HOPE VI development name.¹¹ These neighborhood identities remain contested, but less so, in more established, stably mixed communities.¹²

Pamphlets, billboards, and websites that advertise mixed-income developments are often designed to appeal to market-rate residents, offering little mention of the subsidized units available or amenities that would appeal to subsidized renters. Ethnographers have found that promotional materials often highlight amenities such as gym facilities and granite countertops rather than units with many bedrooms, social service coordinators, or onsite childcare. The developments rarely mention the presence of subsidized units in their promotional materials, and examples abound of market-rate residents learning of the presence of subsidized units only after moving in.¹³ Developers say that these marketing strategies attract market-rate tenants

5) The design of affordable housing can reduce class-based stigma and promote resident engagement.

Project-based subsidized housing developments in mixed-income neighborhoods are easily visible because of their size and architectural style, and both higher- and lower-income residents attribute a host of neighborhood ills to them — crime, noise, drugs, and gangs — even without specific evidence that this is true. Ethnographers have found that these characteristics render residents of both project-based Section 8 developments and public housing developments more visible and stigmatized than similar low-income residents living in scattered-site affordable housing within mixed-income neighborhoods. In her ethnography of South End, for example, Tach found that both higher- and lower-income residents of mixed-income neighborhoods described fear and discomfort travelling near public housing projects in their community and took elaborate daily routes to avoid passing them, although they did not report this reaction to other buildings in the neighborhood containing subsidized housing.¹⁴

Ethnographers of mixed-income developments that replaced public housing find that former public housing residents report liberation from some forms of stigma when given subsidized units fully integrated into the surrounding community. Higher quality construction and physical upkeep yield a sense of pride, and, in sharp contrast with how they felt in public housing, former public housing residents report

adds a new dimension to these findings by revealing how improvements in physical design reduce stigma and generate resident pride and investment.

Second, the inductive nature of ethnography leads to new hypotheses that can be tested with representative surveys. For example, ethnographic research reveals how questions about cross-class dynamics could be asked in

Physical integration of subsidized and market-rate housing reduces stigma, the formation of community organizations by trusted local leaders around shared identities and goals may bridge class differences and promote neighborhood stability, and management practices could foster rather than dissuade resident interaction in common spaces. In time, such efforts may help bridge racial, cultural, and class differences and support stable mixed-income communities. **EM**

Ethnographic insights suggest practices that could promote cohesion within mixed-income neighborhoods.

feeling inspired to invest in their community.¹⁵ In their ethnographies of three Chicago HOPE VI developments with units divided among public housing, affordable, and market-rate tenants — Oakwood Shores, Park Boulevard, and Westhaven Park — Mark Joseph and his colleagues found that the predominantly African-American former public housing residents in Chicago felt less external stigma after the physical transformation of their areas; outsiders were more willing to visit them, and some visitors were unaware that the development was subsidized housing.¹⁶ Subsidized residents still felt some stigma from the more racially diverse market-rate renters and homeowners in their developments, who routinely discussed the need to fix or alter their behaviors and values, but this new stigma was considerably weaker than what they had experienced in the old projects.

Contributions of Ethnographic Methods

Ethnography complements quantitative research on mixed-income neighborhoods in a number of ways. First, ethnography offers an opportunity for triangulation; identifying the same result with a different type of data strengthens confidence in that result. For example, surveys report high levels of resident satisfaction with physical amenities in mixed-income developments, and ethnographic work

ways respondents understand, such as asking about neighbors of different tenure lengths, housing types, and races. Ethnographies also highlight the institutions and amenities around which cross-class bonding and conflict may occur, such as schools, policing, the use of common spaces, and retail investment; these subjects can be addressed directly in surveys.

Finally, ethnography can elucidate mechanisms and explanations not observable in surveys. For example, surveys reveal little cross-class interaction. Ethnographies show how and why this phenomenon occurs; residents avoid neighbors of different incomes because their interests and preferences do not align. Cross-class interactions are dampened further through the actions of management, the stigma of public housing, and competing visions of community identity and quality institutions and amenities.

Ethnographic research on mixed-income developments and neighborhoods reveal different, and sometimes conflicting, values among stakeholders over how community space should be used; it also reveals unequal power in the ability to realize these values. Still, the ethnographic insights described here suggest practices that could promote cohesion within mixed-income neighborhoods.

¹ Mary Pattillo. 2007. *Black on the Block: The Politics of Race and Class in the City*. Chicago: University of Chicago Press.

² Robert J. Chaskin and Mark L. Joseph. 2010. "Building "Community" in Mixed-Income Developments: Assumptions, Approaches, and Early Experiences," *Urban Affairs Review* 45:3, 299–335; Robert J. Chaskin and Mark L. Joseph. 2011. "Relational Expectations and Emerging Reality: The Nature of Social Interaction in Mixed-Income Developments," *Journal of Urban Affairs* 32:2, 209–37; Laura Tach. 2010. *Beyond Concentrated Poverty: The Social and Temporal Dynamics of Mixed-Income Neighborhoods*, Doctoral dissertation, Harvard University; Laura Tach. 2009. "More Than Bricks and Mortar: Neighborhood Frames, Social Processes, and the Mixed-Income Redevelopment of a Public Housing Project," *City & Community* 8:3, 273–303.

³ Naomi J. McCormick, Mark L. Joseph, and Robert J. Chaskin. 2012. "The New Stigma of Public Housing Residents: Challenges to Social Identity in Mixed-Income Developments," *City & Community* 11:3, 285–308; Chaskin and Joseph, 2010; Chaskin and Joseph, 2011.

⁴ Erin Graves. 2010. "The Structuring of Urban Life in a Mixed-Income Housing Community," *City & Community* 9:1, 109–31.

⁵ Laura Tach. 2011. "Imagined Communities, Contested Realities: How Stakeholders Understand and Negotiate Space in Mixed-Income Developments," Paper presented at the Annual Meeting of the Urban Affairs Association, New Orleans, Louisiana, March, 16–9.

⁶ Andrew Deener. 2012. *Venice: A Contested Bohemia in Los Angeles*. Chicago: University of Chicago Press; Lance Freeman. 2006. *There Goes the 'Hood': Views of Gentrification From the Ground Up*. Philadelphia: Temple University Press; Pattillo; Deirdre Pfeiffer. 2004. "Before the Barbecue: Community Building and the Arts in a Mixed-Income Chicago Neighborhood," *Perspectives on Civic Activism and City Life* 3, 14–24; Sylvie Tissot. 2011. "Of Dogs and Men: The Making of Spatial Boundaries in a Gentrifying Neighborhood," *City & Community* 10:3, 265–84.

⁷ Pattillo.

⁸ Tach, 2011.

⁹ Michael Maly. 2005. *Beyond Segregation: Multiracial and Multiethnic Neighborhoods in the United States*. Philadelphia: Temple University Press.

¹⁰ McCormick, Joseph, and Chaskin; Chaskin and Joseph, 2010; Chaskin and Joseph, 2011; Pattillo; Tach, 2011.

¹¹ Tach, 2009.

¹² Maly.

¹³ McCormick, Joseph, and Chaskin, 2012; Graves, 2010; Pattillo.

¹⁴ Tach, 2010.

¹⁵ Tach, 2009.

¹⁶ McCormick, Joseph, and Chaskin.

Inclusionary Zoning and Mixed-Income Communities

Advocates have long promoted inclusionary zoning (IZ) as a viable, market-based strategy for increasing affordable housing and creating mixed-income communities. IZ policies require or encourage developers to set aside a certain percentage of housing units in new or rehabilitated projects for low- and moderate-income residents.¹ This integration of affordable units into market-rate projects creates opportunities for households with diverse socioeconomic backgrounds to live in the same developments and have access to same types of community services and amenities (see “Confronting Concentrated Poverty With a Mixed-Income Strategy,” p. 1). And because it leverages private-sector development, IZ requires fewer direct public subsidies than do many other state and federal programs that promote mixed-income communities. For local governments facing shrinking federal and state aid, IZ offers a path to boost affordable housing supply and meet federal fair housing obligations. In neighborhoods undergoing gentrification, IZ can mitigate the displacement of existing low-income households and allow essential public-sector employees such as police officers, teachers, and firefighters to live in the communities they serve. Since the nation’s first IZ ordinance was enacted 40 years ago, more than 400 jurisdictions have adopted the strategy in some form or another.²

Research evaluating how effectively IZ fosters mixed-income communities is limited, as are studies focusing on the effects of inclusionary developments on low-income families. However, a recently released RAND Corporation study of inclusionary programs in 11

Highlights

- Inclusionary zoning programs vary in their structure; they can be mandatory or voluntary and have different set-aside requirements, affordability levels, and control periods. Most inclusionary zoning programs offer developers incentives, such as density bonuses, expedited approval, and fee waivers.
- New York’s program offers developers density bonuses in exchange for providing permanently affordable housing for low- and moderate-income families, to help preserve mixed-income neighborhoods in a city of high rent burdens and low vacancy.
- Chicago’s Affordable Requirements Ordinance requires developments that meet certain criteria and have at least 10 residential units to set aside at least 10 percent of the units for lower-income households.

jurisdictions nationwide shows that IZ provides low-income families with access to low-poverty neighborhoods and better performing schools. Study authors Schwartz et al. find that IZ homes are widely dispersed throughout each of the 11 jurisdictions, with 76 percent of the units located in low-poverty neighborhoods. Schwartz et al. also note that the various design components of IZ programs affect their potential for creating affordable housing and promoting social inclusion.³

IZ programs vary in their structure; they can be mandatory or voluntary and have different set-aside requirements, affordability levels, and control periods. Most IZ programs offer

developers incentives such as density bonuses, expedited approval, and fee waivers to offset some of the costs associated with providing the affordable units. Many programs also include developer opt-outs or alternatives, such as requiring developers to pay fees or donate land in lieu of building affordable units or providing the units offsite.⁴ Studies show that mandatory programs produce more affordable housing than voluntary programs, and developer opt-outs can reduce opportunities for creating mixed-income housing.⁵ At the same time, IZ’s reliance on the private sector means that its effectiveness also depends on the strength of a locality’s housing market, and researchers acknowledge that a certain degree



Palmer’s Dock and Edge Community Apartments are the affordable housing component of the larger Northside Piers and Edge developments along the Brooklyn waterfront. Both projects, located within the Greenpoint-Williamsburg inclusionary housing designated area, received density bonuses and tax abatements from the city in exchange for providing affordable housing.



Jonathan Rose Companies

The Tapestry is a mixed-income rental housing development that was facilitated by the 125th Street rezoning and is the first inclusionary housing development in Harlem.

of flexibility is essential to ensuring the success of IZ programs. In fact, according to a new Center for Housing Policy report that examines how inclusionary policies fared through the recent economic crisis, IZ policies that combined flexibility with cost offsets were better able to “endure through the housing downturn.”⁶

This article looks at inclusionary programs adopted by two of the largest U.S. cities with high housing costs — New York City and Chicago — and existing research on the efficacy of these programs. New York City’s inclusionary housing program is voluntary and depends on aggressive density bonuses to encourage developer participation, whereas Chicago’s citywide program is mandatory for all developments that meet certain thresholds. Both cities offer alternatives to onsite provision of affordable units in the form of offsite construction and in-lieu fees.

New York City’s Inclusionary Housing Program

New York City approved its IZ program, known as the R10 program, in 1987 in response to rising housing costs and the resulting displacement of working-class families in high-density, high-demand areas such as Manhattan and downtown Brooklyn. At the time, the New York City Planning Commission noted that the goal of the R10 program was “to link market-rate housing with lower-income housing in order to provide for socio-economic heterogeneity.”⁷ The program offers floor area increases of up to 20 percent to developers in exchange for providing permanently affordable housing for families earning no more than 80 percent of the area median income (AMI) in high-density areas zoned R10 and commercial zones with equivalent densities.⁸ To ensure that developers actually create the affordable units, the R10 program does not permit in-lieu cash payments;

instead, it allows developers to provide the affordable units on- or offsite through new construction, rehabilitation, or preservation of existing housing.⁹ Any offsite units, however, must be located in the same community district as the market-rate portion of the development or within a half-mile of the site. Extending the distance beyond a half-mile, stated the commission, “would dilute [the program’s] objective of neighborhood socio-economic heterogeneity.” The commission also observed that making the R10 program voluntary rather than mandatory would encourage developer participation and give the city the opportunity to monitor the program and make changes as needed over time.¹⁰ Still in effect, the R10 program has produced more than 1,700 affordable units, mostly in Manhattan.¹¹

Program Expansion

In 2005, the city expanded its inclusionary housing program to include certain medium- and high-density areas being rezoned as part of Mayor Michael Bloomberg’s New Housing Marketplace Plan (Marketplace Plan). Initiated in 2002 and expanded in subsequent years, the Marketplace Plan details strategies to tackle an acute shortage of housing affordable to low- and moderate-income families in New York City. From 1990 to 2000, the city’s population rose from 7.3 to 8 million, increasing pressure on an already tight housing market. A projected addition of one million residents by 2030 will intensify the demand for housing.¹² More than two-thirds (67.4%) of New York City’s housing stock is renter-occupied, and close to 30 percent of all renter households pay more than 50 percent of their income toward housing costs.¹³ Despite an overall increase in the number of housing starts, overcrowding continues to be a problem amidst exceedingly low vacancy rates. The rental vacancy rate citywide is well under 5 percent (3.12%), and it is lowest (1.1%) for units with rents under \$800. The current \$8.5 billion Marketplace Plan aims to create and preserve 165,000 affordable homes for city residents by

the end of fiscal year 2014. The plan calls for rezoning underutilized industrial areas within the city to facilitate residential or mixed-use development and identifies IZ as a key tool to harness the private market to produce affordable housing.¹⁴

The expanded program, also called the Designated Areas Program, offers a density bonus of up to 33 percent above the base floor area ratio.¹⁵ To take advantage of the maximum density bonus offered, developers must set aside 20 percent of a building's residential floor area to house low-income families earning no more than 80 percent of AMI. In certain designated areas, developers may target households earning up to 125 or 175 percent of AMI so long as a larger percentage of units are set aside as affordable housing. The program allows developers to use various public financing programs — such as city and state loan programs, tax-exempt bonds, and low-income tax credits — and tax incentives in conjunction with floor

far, 42 percent of the city's inclusionary units have been developed onsite. This percentage is much higher (71%) for units developed since July 2010.¹⁶

In July 2009, the city adopted further amendments to the inclusionary housing program to boost participation and increase the production of affordable units. Before these changes, density bonuses were available only for rental units, and developers participating in the R10 program were not allowed to use public subsidies to build the affordable units. The amendments added a homeownership option to encourage condo and housing cooperative developers to participate and authorized the use of government subsidies as part of the R10 program. The ownership units must initially be affordable to households earning at or below 80 percent of AMI, and their resale price is calculated based on the rate of inflation as defined by the Consumer Price Index (CPI). The resale prices are capped, however, to keep the units affordable to

approximately 2,760 units have been developed since the expanded program began in 2005. “A majority of these,” says Colón, “were produced before the economic recession weakened housing markets in the city. However, of the total number of units, over 24 percent were developed in the last couple of years — an indication that the market is recovering.”¹⁸

Social Impacts

Housing generated through New York City's inclusionary housing program must be affordable for the life of the development, and the set-aside units must be distributed throughout a building. IZ units have to be located on 65 percent of floors and in such a way that no more than a third of the units on each floor are IZ units. Inclusionary programs that include such long-term affordability requirements “have the potential to provide low-income recipients with extended exposure to low-poverty settings,” note Schwartz et al.¹⁹ For all inclusionary units, applicants who meet income eligibility requirements are chosen by lottery. Half of affordable units in a development, however, are set aside for households from within the project neighborhood, allowing longtime residents with lower incomes to remain in their neighborhoods.

Housing generated through New York City's inclusionary housing program must be affordable for the life of the development.

area increases to build affordable units. However, affordable housing units in developments using these public funding sources must be located onsite. Certain tax exemption programs also require onsite provision of affordable units. For example, the city's 421-a tax incentive program provides partial real estate tax exemption for new multifamily rental housing. In locations designated as Geographic Exclusion Areas (such as Manhattan), developers must provide affordable units onsite to receive 421-a tax benefits. “This approach of using a voluntary program that permits the use of tax incentives and public subsidies,” says Miriam Colón, assistant commissioner of the Division of Housing Incentives, “allows greater flexibility without straining city resources.” So

households earning no more than 125 percent of AMI.¹⁷

The program is jointly implemented by the Department of City Planning and the Department of Housing Preservation and Development (Housing Department). The Housing Department requires developers participating in the inclusionary housing program to enter into a regulatory agreement that will ensure affordability. Developers must designate an administering agent, usually a nonprofit, who will be responsible for ensuring compliance with the regulatory agreement.

To date, the city's inclusionary housing program has created more than 4,500 units of affordable housing; of these,

A comprehensive analysis of the social impacts of New York City's inclusionary housing program has not yet been undertaken, but Jeanne Brooks-Gunn and Elyzabeth Gaumer are conducting an ongoing study to quantify the effects of affordable housing produced as part of the city's Marketplace Plan. The NYC Housing and Neighborhood Demonstration Project follows 3,000 households that applied for newly constructed affordable rental housing at 15 sites in New York City, 4 of which are mixed-income housing developments with inclusionary units. Half of the households in the study are offered affordable housing (treatment group), and the other half are eligible for affordable housing but do not receive it (control group). Fewer than 5 percent

of the applicants, representing a wide range of household types with incomes between 40 and 80 percent of AMI, apply with a voucher or any type of housing assistance before moving into affordable housing. “We are trying to understand how moving to subsidized housing influences physical and mental health, educational, and child development outcomes,” says Gaumer, director of research at the Housing Department.

The researchers have completed a pilot study of an inclusionary housing site in Williamsburg (one of the rezoned areas), where they followed a cohort of households from time of application through a two-year period. “We saw very strong, positive differences between individuals who were offered housing at this site relative to the matched control group,” says Gaumer. “In addition to direct outcomes, such as significantly lower rent burden and higher housing quality, we saw lower rates of asthma symptoms, marginally lower rates of depression and anxiety, and significantly greater perception of safety as well as lower rates of neighborhood disorder,” she adds. A smaller study within the much broader setting of this randomized control trial, funded by HUD, will look at the changes in social networks

and behavior that result from moving to mixed-income housing at an inclusionary housing site in the city. Findings from the HUD-funded study will be released later this year, with the final findings from the broader study slated for release in early 2015.²⁰

City of Chicago’s Affordable Requirements Ordinance

With 2.7 million residents, Chicago is the nation’s third-largest city. The city lost nearly 7 percent of its population from 2000 to 2010 as residents moved to outer suburbs or migrated to other parts of the country; in particular, the African-American population declined by almost 17 percent.²¹ Some of this population loss has been attributed to a lack of affordable housing, especially in central city areas undergoing gentrification. In a 2010 report detailing housing affordability in Chicago, the Chicago Rehab Network notes that “traditionally middle- and working-class neighborhoods are showing growing indications of housing stress,” with significant increases in the number of cost-burdened households.²² City-wide, roughly 54 percent of renter households and 49 percent of owner households pay more than 30 percent of their income toward housing costs.²³

In 2003, Chicago adopted its inclusionary ordinance, also known as the Affordable Requirements Ordinance (ARO). The original ARO applied only to developments of 10 or more units that received land or financial assistance from the city.²⁴ Following an intense campaign by advocacy groups, including the Chicago Rehab Network and Business and Professional People for the Public Interest (BPI), the city expanded the ARO near the height of the housing market in 2007. “We were losing affordability rapidly due to the heightened pace of the market and wanted to use the market momentum to generate affordable housing,” explains Kara Breems, project manager with the city’s Department of Housing and Economic Development.²⁵

The ARO currently applies to all rental and for-sale projects with at least 10 residential units that require certain zoning changes, include land purchased from the city, receive financial assistance from the city, or are within a planned development in a downtown zoning district. At least 10 percent of units in these developments must be set aside for lower-income households; the requirement jumps to 20 percent if a development receives financial assistance from the city.²⁶ The ARO does not offer cost offsets, but the requirements that trigger the ordinance, such as zoning changes that increase density and financial assistance from the city, are regarded as compensations built into the program.²⁷

Unlike New York City, Chicago does not allow offsite provision; however, developers have the option to pay fees (\$100,000 per unit, adjusted for inflation based on the CPI) in lieu of building the affordable units. The collected fees are applied to the City of Chicago Affordable Housing Opportunity Fund. Sixty percent of the housing fund’s revenues are used for construction or rehabilitation of affordable housing, and the rest go to the Chicago Low-Income Housing Trust Fund, a city-supported rental assistance program.²⁸ “The in-lieu fees



Condo developments in Chicago’s Loop area include affordable ownership units produced under the ARO.



City of Chicago Department of Housing and Economic Development

For-sale ARO units in this development are under the stewardship of the Chicago Community Land Trust.

provide a flexible pool of money that the city uses to develop multifamily rental housing for low-income families, among other things,” says Breems.

In 2011 and 2012, the ARO generated more than \$3.5 million of in-lieu fees because most developers opted out of building actual units. “There was very little development happening during this time and what was happening was geared toward the higher-income segment of the population in downtown locations. Given the high cost of construction in these areas, it makes sense that developers chose to pay in-lieu fees,” notes Breems. She expects this will start to change as the market picks up across the entire city.²⁹

Although an option to pay in-lieu fees provides developers and localities with more flexibility, critics argue that these fees do not always reflect the true cost of creating affordable housing, particularly in areas with high land prices. “If the goal of an inclusionary program is to create affordable housing in areas of opportunity and most developers are choosing the in-lieu fee option,” says Adam Gross, director of BPI’s Affordable Housing Program, “this suggests that the fee is set too low.”³⁰ Such an alternative also undermines the economic

integration goal of IZ policies. Calavita and Mallach write that “while a strategy of collecting in lieu fees from downtown developers may result in more housing units [at alternative sites], it could also perpetuate the concentration of affordable housing in lower-income areas with sizable minority populations.”³¹

Affordability and Integration

Rental units created under the ARO are required to be affordable to households earning no more than 60 percent of AMI, whereas the for-sale units are targeted to households with incomes at or below 100 percent of AMI. The affordability levels are calculated based on the median income of the Chicago metropolitan area, which is much higher than that of the city itself. Program critics argue that to adequately serve Chicago’s lower-income households, the affordability thresholds should be either set as a lower percentage of the metropolitan area AMI or based on the city AMI.³² Currently, both rental and for-sale units must remain affordable for a minimum of 30 years. Most of the for-sale ARO units are placed under the stewardship of the Chicago Community Land Trust, which the city established in 2006 to “preserve the long-term affordability of homes” created through various city programs. Buyers are required to enter into a 99-year deed covenant with

the land trust and receive the initial purchase price plus a percentage of appreciation on resale. Property taxes for land trust homes are assessed based on the affordable price, keeping housing costs low for buyers. Affordability of units not monitored by the land trust is ensured through a junior mortgage or second 30-year lien.³³

In addition to the ARO, the city administers a voluntary density bonus program that provides floor area increases in certain downtown zoning districts to developers who provide onsite affordable units or make in-lieu payments to the housing opportunity fund; the nearly decade-old program has generated more than \$25 million in fees as of June 2012. Another voluntary program that was created in 2001 and is currently inactive, the Chicago Partnership for Affordable Neighborhoods (CPAN), offered developers incentives, such as fee waivers and reimbursement for certain expenses, in exchange for setting aside at least 10 percent of units in a for-sale development for households earning no more than 100 percent of AMI. The city council eliminated fee waivers in 2012, essentially ending CPAN.³⁴

Chicago’s expanded ARO went into effect shortly before the collapse of the housing market, which makes assessing the program’s effectiveness difficult.³⁵ At the time of adoption, the ordinance was expected to generate an estimated 1,000 affordable units or a matching amount of in-lieu fees per year.³⁶ To date, the ARO has created 568 affordable units with hundreds more under development.³⁷ According to the RAND report, 39 percent of the city’s IZ units produced through the ARO and CPAN programs are located in low-poverty neighborhoods (as of 2005–2009), defined as “a census block group with up to 10 percent of households in poverty.” By comparison, 93 percent of IZ units in Irvine, California, and 89 percent of IZ units in Montgomery County, Maryland were found to be in low-poverty neighborhoods.

Developer opt-outs included in New York and Chicago programs highlight the tradeoffs between increasing the affordable housing supply and creating mixed-income developments.

The inclusionary units are also located in only four percent of the city's neighborhoods, but these neighborhoods are more affluent, have a higher percentage of adults with a college degree, and are more racially diverse than neighborhoods without inclusionary units. Of the 11 jurisdictions studied in the RAND report, Chicago was the only one in which "IZ neighborhoods had *more* markers of advantage than non-IZ neighborhoods — an indication that new residential development within the city (of which IZ units were a small share) was typically marketed to attract new households with higher incomes." The average income of residents moving into the inclusionary units was about 57 percent of AMI.³⁸

Conclusion

Inclusionary zoning has emerged as a proven strategy to address the shortage of affordable housing with the potential for creating socially and economically integrated communities. Hundreds of jurisdictions have adopted IZ policies that vary broadly in how they are structured, and these differences can influence outcomes related to housing production and integration. The examples discussed in this article, while not representative of most localities with IZ policies, show that inclusionary zoning is more effective in markets where housing demand is high. An incentive-based approach combined with strong public subsidies is creating and preserving affordable housing in New York City, whereas Chicago's mandatory citywide program is resulting in long-term housing opportunities for lower-income residents. Developer opt-outs included in both programs — offsite construction in New York City and in-lieu fees in Chicago — provide the flexibility needed

to encourage developer participation but also highlight the tradeoffs between increasing the affordable housing supply and creating mixed-income developments. **EM**

¹ The term "inclusionary zoning" is sometimes used interchangeably with "inclusionary housing," but experts distinguish inclusionary zoning as one (albeit principal) form of inclusionary housing. Inclusionary housing refers to a wide range of strategies that localities implement to increase housing opportunities for low- and moderate-income residents. Alan Mallach. 1984. *Inclusionary Housing Programs: Policies and Practices*, New Brunswick, NJ: Center for Urban Policy Research, 2.

² Innovative Housing Institute. 2010. "Inclusionary Housing Survey: Measures of Effectiveness," 7.

³ Heather L. Schwartz, Liisa Ecola, Kristin J. Leuschner, and Aaron Kofner. 2012. *Is Inclusionary Zoning Inclusionary?* Santa Monica, CA: RAND Corporation, 13–21.

⁴ Nico Calavita and Alan Mallach, eds. 2010. *Inclusionary Housing in International Perspective: Affordable Housing, Social Inclusion, and Land Value Recapture*. Cambridge, MA: Lincoln Institute of Land Policy, 36–8.

⁵ Nicholas Brunick, Lauren Goldberg, and Susannah Levine. 2004. "Voluntary or Mandatory Inclusionary Housing? Production, Predictability, and Enforcement," Business and Professional People for the Public Interest, 2–9.

⁶ Robert Hickey. 2013. "After the Downturn: New Challenges and Opportunities for Inclusionary Housing," Policy Brief, Center for Housing Policy, 4.

⁷ New York City Planning Commission. 1987. "Inclusionary Housing Alternative," 2.

⁸ The base allowable floor area ratio (FAR) in an R10 district is 10 and can be increased to a maximum of 12 FAR. FAR is the ratio of total square footage of a building to the site area. Depending on a project's construction type and financing structure, the R10 program provides 1.25 to 3.5 square feet of bonus floor area for every square foot of affordable floor area provided. "Inclusionary Housing Program," City of New York website (www.nyc.gov/html/dcp/html/zone/zh_inclu_housing.shtml). Accessed 2 February 2013.

⁹ A range of floor area bonus ratios are offered depending on whether the units are provided through new construction, rehabilitation, or the preservation of existing housing.

¹⁰ New York City Planning Commission, 13.

¹¹ Email correspondence with Miriam Colón, March 2013.

¹² New York City Department of City Planning. 2006. "New York City Population Projections by Age/Sex & Borough 2000–2030," 5.

¹³ Median household income is \$51,270 for the city of New York. U.S. Census Bureau. American Community Survey, 2007–2011; Median household income for renter households in 2010 was \$38,447. U.S. Census Bureau, 2011 New York City Housing and Vacancy Survey.

¹⁴ New York City Department of Housing Preservation and Development. 2011. "Selected Initial Findings of the 2011 New York City Housing and Vacancy Survey," 3–4; New York City Department of Housing Preservation and Development. 2010. "New Housing Marketplace Plan," 3.

¹⁵ In the areas designated for inclusionary housing, developers receive 1.25 square feet of bonus floor area, up to the maximum allowable FAR, for every square foot of affordable housing provided.

¹⁶ Interview with Miriam Colón, February 2013; Email correspondence with Miriam Colón.

¹⁷ Maximum resale price for inclusionary homeownership units is the appreciation cap or appreciated price, whichever is lowest. The appreciation cap is based on a mortgage amount that is affordable to families earning 125 percent of AMI at the time of resale. The appreciated price is the product of original sale or resale price of a home and the change in the appreciation index as defined in Section 23-913 of the Zoning Resolution. "Inclusionary Housing Program: Overview." New York City Department of Housing Preservation and Development website (www.nyc.gov/html/hpd/html/developers/inclusionary.shtml). Accessed 6 February 2013.

¹⁸ Email correspondence with Miriam Colón.

¹⁹ Schwartz et al., 28.

²⁰ Interview with Jeanne Brooks-Gunn and Elyzabeth Gaumer, January 2013.

²¹ U.S. Census Bureau. 2010. American Community Survey.

²² The report notes that "housing stress exists due to the lack of affordable housing and the resulting housing and income mismatch." Chicago Rehab Network. 2010. "Building Our Future Chicago: A Toolkit for Residents and Community Leaders," 21.

²³ U.S. Census Bureau, 2007–2011 American Community Survey.

²⁴ Nicholas Brunick. 2007. "Case Studies in Inclusionary Housing," *Zoning Practice* 3: 2.

²⁵ Interview with Kara Breems, February 2013.

²⁶ "Affordable Requirements Ordinance." City of Chicago website (www.cityofchicago.org/city/en/depts/dcd/supp_info/affordable_housingrequirementsordinance.html). Accessed 5 March 2013.

²⁷ Interview with Kara Breems.

²⁸ "Affordable Requirements Ordinance."

²⁹ Email correspondence with Kara Breems, March 2013.

³⁰ Email correspondence with Adam Gross, March 2013.

³¹ Calavita and Mallach, 39.

³² Email correspondence with Adam Gross. The 2011 median household income for the Chicago metropolitan area was \$57,267 and the 2011 median household income for the city of Chicago was \$43,628. U.S. Census Bureau. 2011 American Community Survey 1-Year Estimates.

³³ The city records a 30-year lien for an amount that equals the difference between the market price of the unit at the time of purchase and the affordable price. In the event of noncompliance the owner or seller is required to repay the lien amount to the city. Interview with Kara Breems.

³⁴ Email correspondence with Peter Strazzabosco, deputy commissioner, City of Chicago Department of Housing and Economic Development, February 2013.

³⁵ Email correspondence with Adam Gross.

³⁶ Chicago Rehab Network. 2007. "Analysis of the DOH Quarterly Report: 1st Quarter, 2007," 1.

³⁷ Email correspondence with Peter Strazzabosco.

³⁸ Schwartz et al., 12–7.

Additional Resources

- “Finding Common Ground: The Importance of Place Attachment to Community Participation and Planning” (2006), by Lynne C. Manzo and Douglas D. Perkins, develops a framework for understanding the psychological dimensions of people’s interaction with community that emphasizes place attachments and meaning, along with social and political aspects of community participation. jpl.sagepub.com/content/20/4/335.abstract.
 - “Seven Strategies for Successfully Marketing and Stabilizing the Occupancy of Mixed-Income/Mixed-Race Properties” (2006), by NeighborWorks America, uses eight case studies to identify successful management and marketing practices for properties serving mixed- to low-income families. www.nw.org/network/aboutUs/pubs/applied.asp.
 - “Neighborhood Effects on the Long-Term Well-Being of Low-Income Adults” (2012), by Jens Ludwig et al., uses data from the Moving to Opportunity (MTO) demonstration to assess the long-term impacts on low-income adults that move to less distressed areas. www.sciencemag.org/content/337/6101/1505.abstract.
 - “Social Seams in Mixed-Income Neighborhoods: A Case Study of Garfield Square Park” (2009), by Tessa Munekiyo and Karen Chapple, explores how social interaction occurs within a diverse mixed-income neighborhood with an analysis of informal socializing and other uses made of a nearby park. www.communityinnovation.berkeley.edu/publications.html.
 - “Creating Defensible Space” (1996), by Oscar Newman, uses case studies to illustrate how the physical layout of communities can help people control areas around their homes and preserve the areas in which residents can realize commonly held values and lifestyles. www.huduser.org/portal/publications/pubasst/defensib.html.
 - “Inequality Rising and Permanent Over Past Two Decades” (2013), by Jason DeBacker et al., investigates the permanent-versus-transitory nature of rising household income inequality in the U.S. www.brookings.edu/about/projects/bpea/latest-conference/2013-spring-permanent-inequality-panousi.
 - “Housing Policy is School Policy: Economically Integrative Housing Promotes Academic Success in Montgomery County, Maryland” (2010), by Heather Schwartz, looks into the impact of economic integration, achieved through inclusionary zoning and other housing programs, on school performance outcomes for disadvantaged children in Montgomery County, Maryland. old.tcf.org/publications/2010/10/housing-policy-is-school-policy.
 - “Can Inclusionary Zoning Be an Effective and Efficient Housing Policy? Evidence from Los Angeles and Orange Counties” (2010), by Vinit Mukhija et al., examines inclusionary zoning programs’ structure, ability to deliver affordable housing, and effect on housing markets in Los Angeles and Orange Counties. www.onlinelibrary.wiley.com/doi/10.1111/j.1467-9906.2010.00495.x/abstract.
 - “The Effects of Inclusionary Zoning on Local Housing Markets: Lessons from the San Francisco, Washington DC and Suburban Boston Areas” (2007), by Jenny Schuetz et al., looks at the characteristics of jurisdictions that adopted inclusionary zoning policies, subsequent affordable housing production, and the effect on the housing markets of the study areas. www.nhc.org/iz-supplements.html.
 - “Expanding Housing Opportunities through Inclusionary Zoning: Lessons from Two Counties” (2012), by the Urban Institute, presents case studies of inclusionary zoning programs in Montgomery County, Maryland and Fairfax County, Virginia to evaluate their effectiveness in increasing the supply of affordable housing units. www.huduser.org/portal/publications/affhsg/HUD_496.html.
 - Mixed-Income Development Study Research Briefs (nos. 1–8), School of Social Service Administration at The University of Chicago, summarize major results of a multiyear, two-phased study that investigated the early implementation and community-building processes at three, new mixed-income developments in Chicago and is now exploring the ideas and assumptions behind mixed-income development policy and how the strategy affects communities and their residents. ssascholars.uchicago.edu/mixed-income-development-study.
- For additional resources archive, go to www.huduser.org/portal/periodicals/em/additional_resources_2013.html.

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