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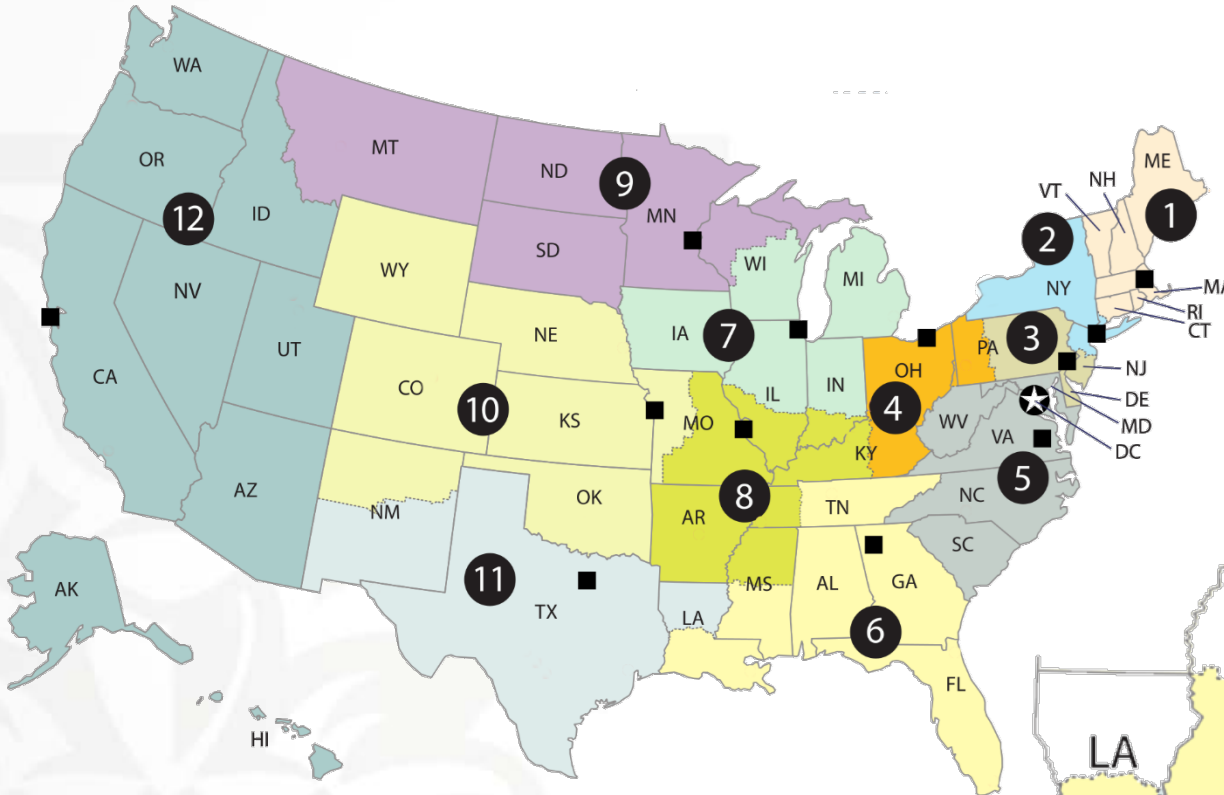
HOW TO INCREASE THE PRODUCTION OF MIXED- INCOME DEVELOPMENT

September 22, 2017

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Development Advisor

The comments in this presentation are those of the presenter alone and do not necessarily reflect the views of the Federal Reserve Bank of Atlanta or the Federal Reserve System.

FEDERAL RESERVE BANK OF ATLANTA



NEW PRESIDENT
DR. RAPHAEL BOSTIC



FRB ATLANTA
(SIXTH DISTRICT)

COMMUNITY AND ECONOMIC DEVELOPMENT AT THE ATLANTA FED



MISSION

To activate financial, human, and social capital to foster the conditions that support economic growth in the southeast, especially in disinvested communities.



HOUSING & NEIGHBORHOOD REVITALIZATION:

Foster place-based strategies that offer LMI households affordable access to areas of opportunity and revitalize distressed communities



WORKFORCE AND HUMAN CAPITAL DEVELOPMENT:

Define and support the long and short term human capital interventions that encourage local economic growth and mobility



COMMUNITY DEVELOPMENT FINANCE:

Build the scale and scope of the investment opportunity to improve economically distressed communities



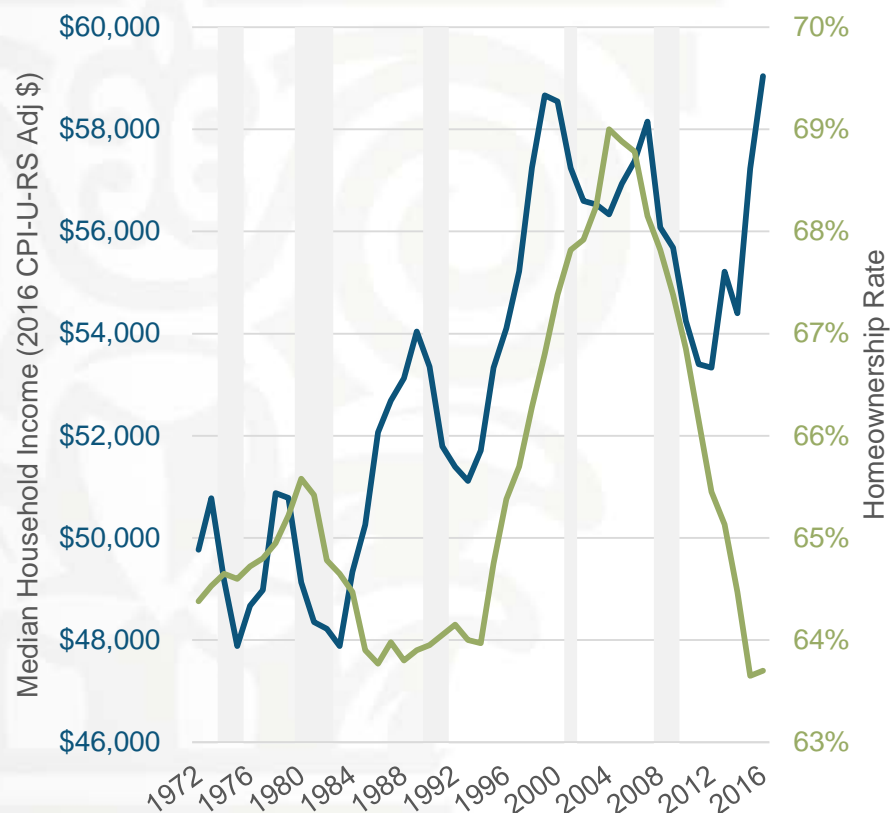
SMALL BUSINESS AND ENTREPRENEUR- SHIP:

Compare credit appetite and access for district small businesses to other parts of the country, identify solutions to gaps

ECONOMIC INCLUSION AND MOBILITY

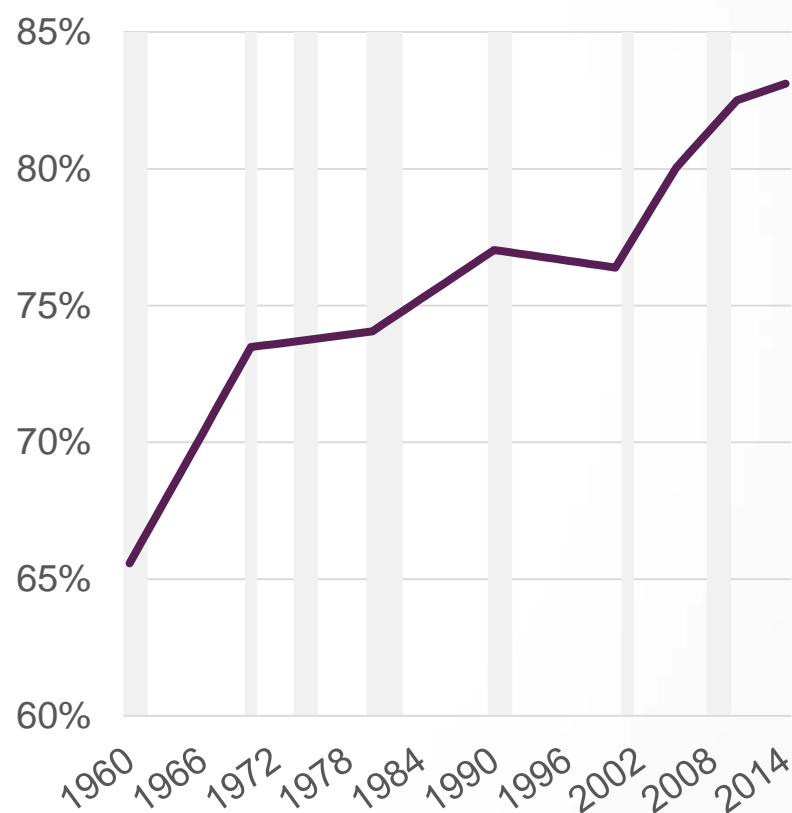
BACKGROUND: THE RENTAL AFFORDABILITY CRISIS

Median Household Income and Homeownership Rate



Source: Census CPS/HVS

Percent Cost Burdened Renter Households, Lowest Income Quintile



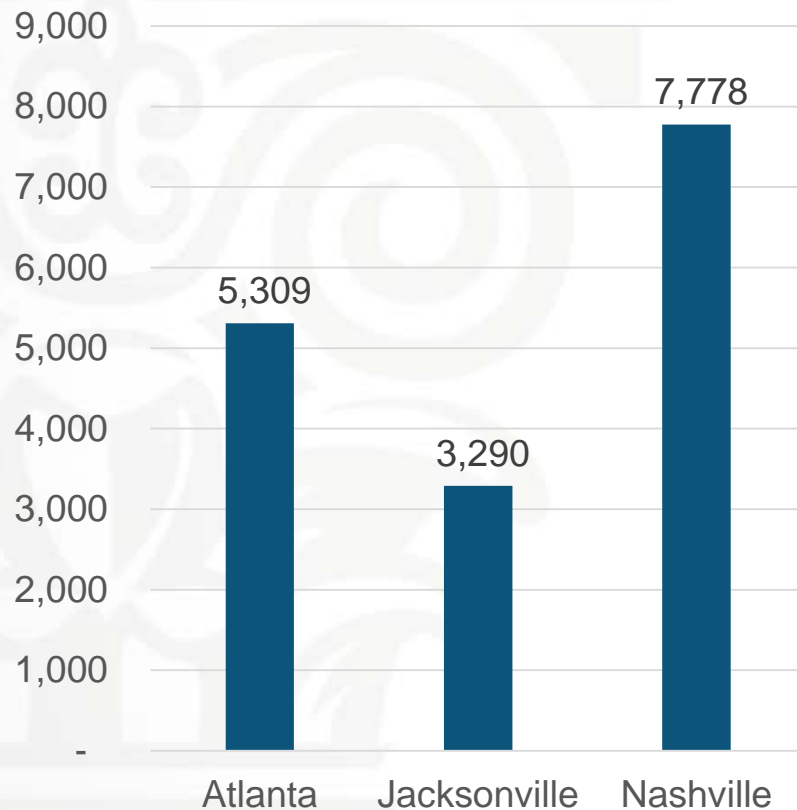
Source: JCHS tabulations of Dec. Census, Census ACS

"DECLINES IN LOW-COST RENTED HOUSING UNITS" IN THE SOUTHEAST



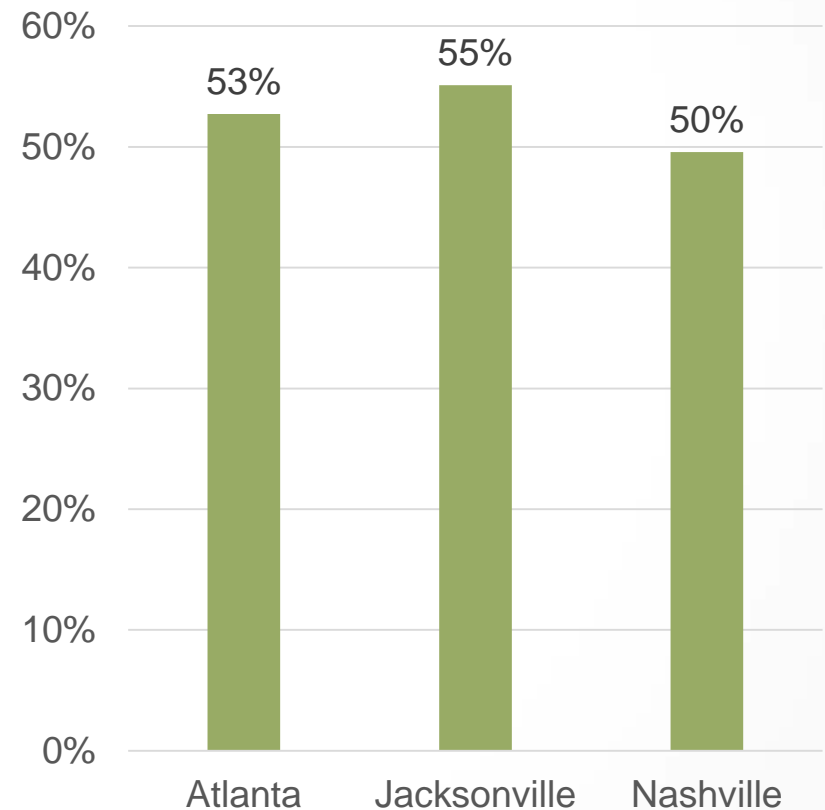
2016 FRBA paper by Dan Immergluck, Ann Carpenter, Abram Lueders

Loss of Units <\$750 per month,
2010-2014



Source: Census ACS

Percent of Renter Households that are
Cost Burdened, 2015



Source: Census ACS

"DEVELOPING INCLUSIVE COMMUNITIES"

2017 FRBA paper by Renée Lewis Glover, Ann Carpenter, Richard Duckworth



Paper URL: <https://goo.gl/ykURju>

Developing Inclusive Communities: Challenges and Opportunities for Mixed-Income Housing

Renée Lewis Glover, Ann Carpenter, Richard Duckworth

Community and Economic Development Department, Federal Reserve Bank of Atlanta

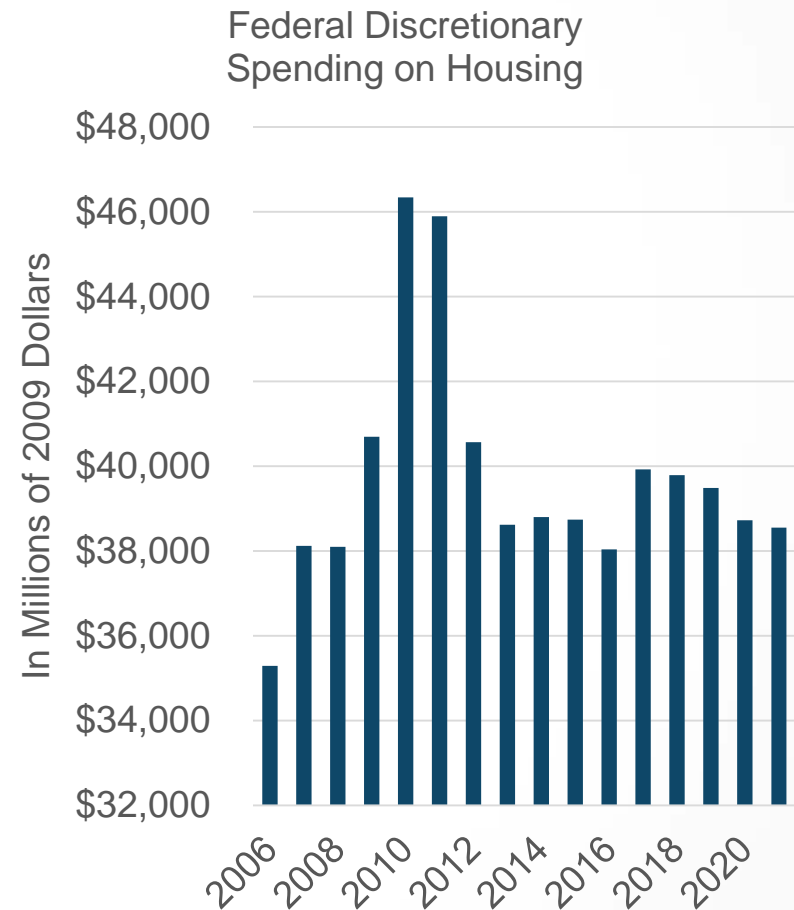


The Federal Reserve Bank of Atlanta's Community & Economic Development Discussion Paper Series

addresses emerging and critical issues in community development. Our goal is to provide information on topics that will be useful to the many actors involved in community development—governments, nonprofits, financial institutions, and beneficiaries. Find more research, use data tools, and sign up for email updates at frbatlanta.org/commdev.

PROJECT OVERVIEW

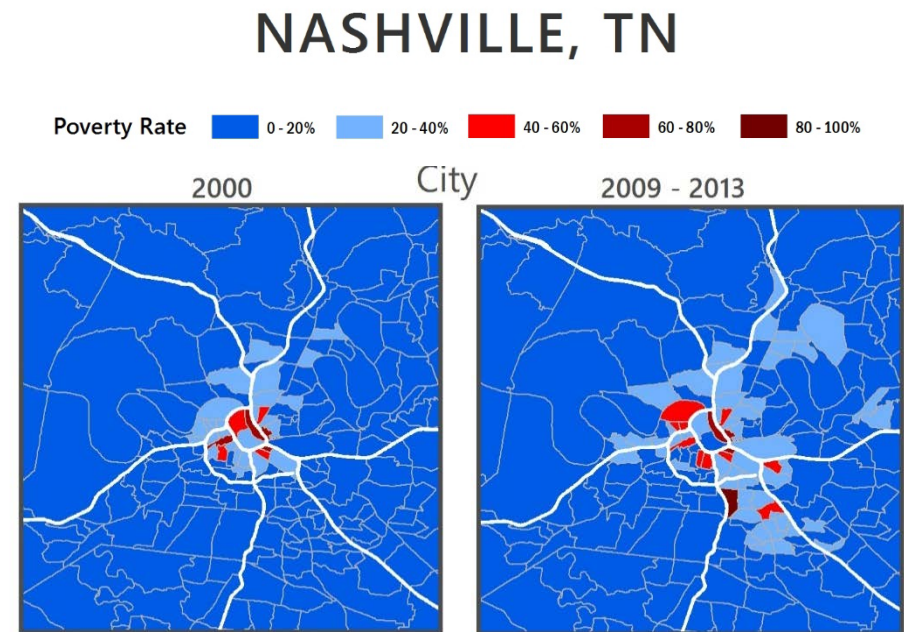
- Sought to understand how to foster the production of mixed-income communities, given the current environment of increased costs and reduced subsidies
- Interviewed stakeholders from Atlanta, Jacksonville, and Nashville



Source: U.S. Office of Management and Budget

BENEFITS OF MIXED-INCOME COMMUNITIES

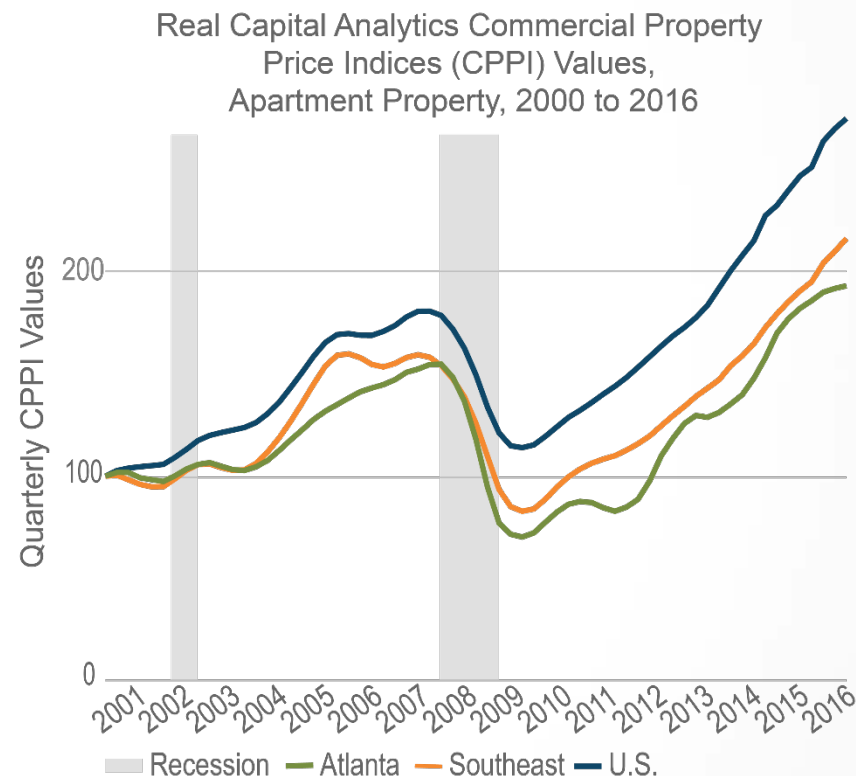
- De-concentration of poverty
- Social capital
- Improved physical and mental health
- Improved school performance
- Lower rates of crime
- Access to more robust amenities and services



Source: Lueders, 2016
(author's calculations of Census ACS data)

3 Most Significant Barriers & Challenges

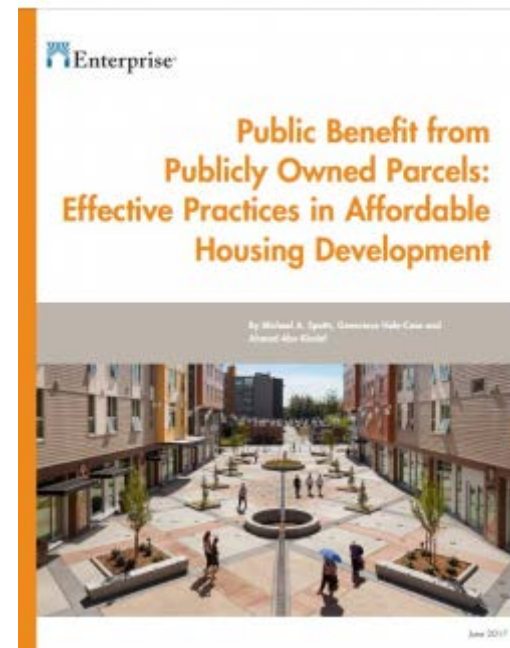
- High cost of land
- Regulatory burden
- Lack of interagency coordination



Source: Real Capital Analytics, 2017

To address the high cost of land:

- Limit exclusionary land use regulations
- Implement land banking and community land trusts
- Use of donated land



Spotts, M. A., Hale-Case, G., & Abu-Khalaf, A. (2017). *Public Benefit from Publicly Owned Parcels: Effective Practices in Affordable Housing Development*. Washington, DC: Enterprise Community Partners.

To reduce regulatory burdens

- Allow for more flexibility in use of funds from existing programs
- Streamline application, reporting, and monitoring requirements across agencies

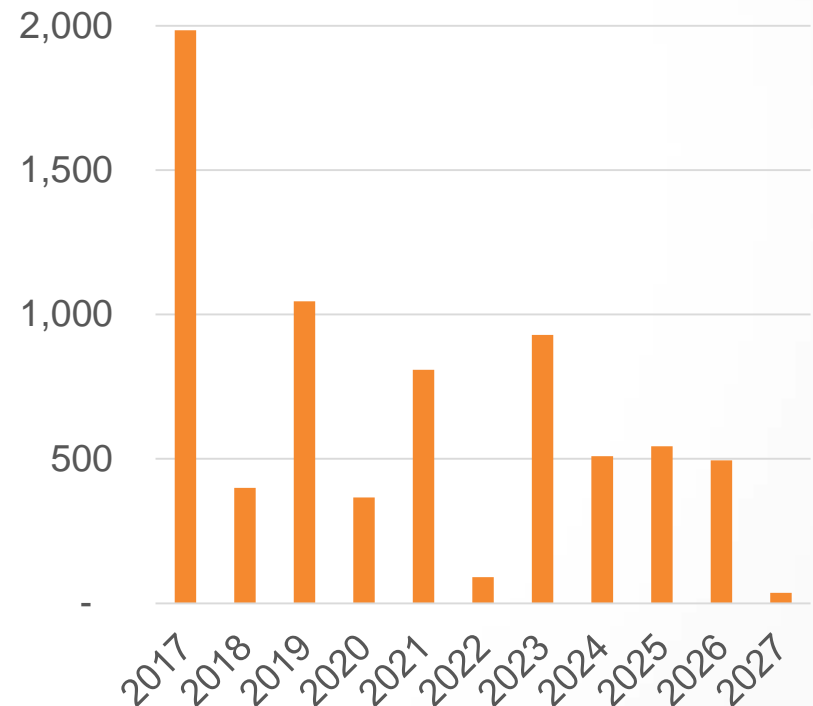
To increase incentives

- Advocate for more federal and state tax credits for affordable housing investment
- Create dedicated state and local housing trust funds

To preserve existing affordable units:

- Incentivize owners to renew affordability commitments
- Set aside funds for preservation without competition from new development

Subsidized Units with Expiring Affordability Periods in Nashville, 2017 to 2027



Source: National Housing Preservation Database

To build political support:

- Frame affordable housing as a competitive economic advantage
- Improve messaging, outreach, and education to the public and elected officials

**MAKE
ROOM**

To improve coordination with other sectors:

- Utilize available land owned by transit agencies, public schools, and development agencies
- Coordinate programming with workforce development and transit agencies

“MOONSHOT” IDEAS



- New typologies, such as micro units
- Engage researchers



- Modest materials (e.g. wood framing)
- Prefabricated materials

SUMMARY OF CHALLENGES AND STRATEGIES TO FOSTER MIXED-INCOME HOUSING



Address high land costs	Implement land banking and community land trusts
	Limit exclusionary land use regulations
Decrease regulatory and administrative burdens	Allow for more flexibility in use of funds from existing programs
	Streamline application, reporting, and monitoring requirements across agencies
Increase incentives	Advocate for more federal and new state tax credits for affordable housing investment
	Create dedicated state and local housing trust funds
Preserve existing affordable units	Incentivize owners to renew affordability commitments
	Set aside funds for preservation without competition from new development
Build political support	Frame affordable housing as a competitive economic advantage for localities
	Improve messaging, outreach, and education to the public and elected officials
Improve coordination with other sectors	Utilize available land owned by transit agencies, public schools, and development agencies
	Coordinate programming with workforce development and transit agencies

Thanks!

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<https://goo.gl/ykURju>