HOw to Increase the Production of Mixed-Income Development

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

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**ECONOMIC INCLUSION AND MOBILITY**
BACKGROUND: THE RENTAL AFFORDABILITY CRISIS

Source: Census CPS/HVS

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

- Atlanta: 5,309
- Jacksonville: 3,290
- Nashville: 7,778

Percent of Renter Households that are Cost Burdened, 2015

- Atlanta: 53%
- Jacksonville: 55%
- Nashville: 50%

Source: Census ACS
“DEVELOPING INCLUSIVE COMMUNITIES”
2017 FRBA paper by Renée Lewis Glover, Ann Carpenter, Richard Duckworth

Paper URL: https://goo.gl/ykURju
• 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

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

Source: National Housing Preservation Database

Subsidized Units with Expiring Affordability Periods in Nashville, 2017 to 2027
To build political support:
• Frame affordable housing as a competitive economic advantage
• Improve messaging, outreach, and education to the public and elected officials

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

• Modest materials (e.g. wood framing)
• Prefabricated materials
• New typologies, such as micro units
• Engage researchers
### SUMMARY OF CHALLENGES AND STRATEGIES TO FOSTER MIXED-INCOME HOUSING

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Thanks!
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