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Mixed Income Housing: An Analysis of Income Distribution

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by

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Report

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Abstract

Mixed Income Housing: An Analysis of Income Distribution

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The Hope VI program has a layered history of public housing redevelopment that resulted in the mixed income housing of today. It is widely regarded that mixed income housing can aid in relieving the effects of poverty such as alleviating crime, providing better tenant-management relations and community investment. Since then, there has been no study that validates the idea that *mixed income housing* yields a direct change in a household's economic mobility or overall well-being. I believe that we can use data from existing mixed income developments to inform what mixed income housing of the future can be. Now that Hope VI redevelopment projects have had several years of occupancy we can begin to take a look at data that reflects the income mix of people who live in these developments. I intend to use income data for three mixed income housing developments as one example of the kind of information that needs to be compiled and analyzed to help form the depth of study that needs to be done.

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Introduction: *Mixed Income Housing*

One holiday season I helped my church run a toy and food drive where we distributed goods to homes in the surrounding Westside neighborhood in San Antonio. I recall one house in particular. It was small, dilapidated and in need of serious repair, but there stood a mother and five children, who humbly accepted our offerings. Of the multiple homes that I visited that day and in later years, that experience made me realize that poverty was not just in far off countries but a continuous fight unfolding every day in our cities. I began to question what we as a community were doing to help those in need. This experience has driven me to pursue my own mission statement for work that helps people in need.

There has been no consistent or comprehensive study that provides concrete evidence that *mixed income* housing yields a direct change in a household's economic mobility or well-being. That being said, while there have been qualitative studies collected from residents and quantitative studies that report development costs, there exists no study that looks holistically at the components that contribute to the overall quality of life of residents throughout the past two decades that Hope VI, the public housing redevelopment program, has been in effect. I intend to use income data as one example of the kind of information that needs to be compiled and analyzed to help form the depth of study that needs to be done.

I had studied a mixed income development in my undergrad classes in San Antonio called Victoria Commons, one of the many redevelopment projects of the Hope VI

program. It was presented to us as a solution to affordable housing of today. I soon became fascinated with the utopian idea of people of different socio-economic backgrounds living closely together. People would be able to learn from each other, and the lines dividing families, individuals and households would begin to blur in this form of housing. Coming into my community planning program at UT Austin I found that this form of housing was not without its setbacks. It had many different levels of history and perspectives that were rooted in relatable ideals such as helping low-income people help themselves and wanting to stay in their own neighborhoods. But the overlaps between these principles revealed the complexity hidden beneath this seemingly utopian concept. Mixed income housing in America has a history ingrained in thoughts that are sometimes far from the ideas that public-housing-reform supporters today use to hold them up as housing solutions. And while the social science theories of helping low income people can be widely debated, I believe it is usually hiding the dark truth behind these ideas: the fact that nobody liked the idea of ugly, tall public housing buildings saturated with low income people except for the people who benefited from it.

In this professional report I focus on the facts and figures of what has been done with respect to mixed income communities in public housing reform. Now that Hope VI redevelopment projects have been completed and have housed residents for several years we can look at income data to see what the composition is for those areas. If mixed income developments are supposed to house people of different income ranges in the same place, then is that the reality? Who are we really serving? While some studies have looked at

developments across the country using qualitative methods, I wanted to look at income mixes for developments that have been upheld as successes, failures, and somewhere in between. The Victoria Commons development in San Antonio is still moving forward with plans for its next phase of construction. New mixed income housing is being pushed by public housing reformers in cities across America. Are we looking at what has already been done to inform what we need to do next? What is needed to help make mixed income housing work, or does it not work at all? It is my hope that more studies will be conducted across agencies, jurisdictions and income levels to determine what future development efforts will need to consider to make mixed income housing work.

Plan for this Professional Report

LITERATURE REVIEW

I first review a knowledge base of what mixed income housing in America has accomplished. I do this to better understand how public housing transformed into mixed income housing in America and how that informs what we deal with today. I believe it is important to note how the original efforts to create mixed income developments, the intended outcomes from its supporters today and the actual results are all very different.

CASE STUDIES

In this Professional Report, I explore three different mixed income developments and compare their income mixes to each other. I do this by taking the income data by census tract and comparing it to the income mix in each development's Metropolitan Statistical Area (MSA). The resulting distribution is then compared to those of the other developments' corresponding census tracts. What I find is that the lower-income groups are largely represented unlike what is suggested from literature on mixed income projects. By overlaying the area's income mix of the MSA I also find that aside from the lower income households, the developments are largely proportional to the income groups of the city. I hope that by using quantitative data to see the effects of intended mixed income developments we can better understand who this form of housing is serving and how that could begin to shape the future of mixed income housing.

Chapter 1: A History of Mixed Income Housing

SLUM CLEARANCE AND PUBLIC HOUSING

In the 1930's and 40's, the United States Housing Authority used slum clearance as an answer to concentrated poverty (Vale, 2015). Policy pushed by private development interests stipulated that slums be cleared prior to the development of any new public housing. This ensured that the new publicly subsidized units would not interfere with privately owned housing units. Supporters of public housing at the time claimed that this was a viable solution to the perceived effects of slums such as disease, unsanitary conditions, and ill behavior. Tenant screening was used as a way to control who could live in the area. In this way public housing was used to change the negative social effects of a given neighborhood. The resulting mix of tenants and the top down efforts of public housing advocates of the time are not dissimilar to the reasoning mobilized to justify mixed income housing today.

MIXED INCOME DEVELOPMENT DEFINED

Alex F. Schwartz classified income integration in American housing with two categories: "dispersal and mixed income development" (Schwartz, 2015, ch.12). The dispersal efforts from mostly private developments aimed to relocate low income households to higher income neighborhoods. Developments sponsored by HUD and the US government best described as mixed income housing mostly unfolded with the rise of the Housing Opportunities for People Everywhere (*Hope VI*) program and aimed to solve issues related to the concentration of poverty and inner-city distress. It was thought that through these integration efforts crime, unemployment, teen pregnancy, and other social ills would be lessened. The push was supported by the idea that proximity to other residents

of higher income status and economic mobility would alleviate them through “role-model” neighbor relationships and community building.

HOPE VI

In 1989 the National Commission on Severely Distressed Housing was established and estimated that 6% of public housing (roughly 86,000 units) could be described as “severely distressed” (Schwartz, 2015, p.184-202). The term was defined according to: family household distress in education, employment and income status; crime rate; whether property management was responsive; and physical deterioration of buildings. The report outlined recommendations to be applied for those 86,000 severely distressed units, yet more than twice that would eventually be affected (Goetz, 2013). The report also emphasized the importance of taking actions that were not just concerned with physical change as had been done before, and had clearly not been the answer to the deplorable conditions in public housing that had been documented. It was advised that well rounded services be given for residents to alleviate need. The report went so far as to call for a program specifically for addressing the physical changes needed for the existing severely distressed housing. The report pointed out that public housing units that were redeveloped be replaced on the same site or neighborhood for those in need. Several other studies gave slightly differing results depending on definitions but what was consistent was that most housing was reported as satisfactory even in qualitative studies from residents (Schwartz, 2015, p.184-202).

Ignoring many of the recommendations, the US Congress launched the Hope VI Program in 1993 as a response to distressed public housing throughout the country. Originally, the effort was intended to remake lower density housing that could include a broader range of lower income households, but it soon became a platform for mixed income housing and part of larger ideas tied to “inner city revitalization” (Schwartz, 2015, p.184-202). What was different in this approach was the strategy of demolishing older buildings and redeveloping new housing that included the idea of including tax credit financed or market rate units within the same development. Widely desirable amenities such as outdoor and patio space would be used to attract the higher income groups. In addition, new policies would be adopted that would be more stringent on who could qualify for public housing. By doing so it was hoped that social change would alleviate crime and other conditions associated with concentrated poverty in these neighborhoods (Schwartz, 2015, p.184-202). However, the actual administrative actions that took place had results that were arguably far from what had been intended.

POLITICS BEHIND HOPE VI

The reason for the disparity between the original intent of the Hope VI program and the actual policy execution that took place was rooted in the political and economic realms. Originally only the largest housing authorities and the 12 most troubled developments were to be affected but later all public housing authorities were included in redevelopment efforts (Goetz, 2013). The one-for-one replacement policy for public housing units was also at play. The housing bubble of the 1990’s resulted in increased

investment in real estate as well as downtown revitalization. At the time the US Congress was largely Republican and strong opposition to HUD became apparent in talks to dismantle the agency. In response, HUD secretary and former San Antonio Mayor Henry Cisneros crafted the Reinvention Blueprint in 1994 which would have phased out public housing developments and made housing assistance programs such as Section 8 voucher programs the main program under HUD. Ultimately, Cisneros and his staff argued that the original recommendations were not sufficient to address the plight of poor conditions in public housing. In 1995 Congress phased out the one-for-one requirement and demolition became a higher priority. “The Hope VI program, born out of a national commission’s recommendation for a strengthened rehabilitation program aimed at severely distressed public housing, soon became a program of demolition leading to large-scale displacement of public housing residents and the transformation of the communities into mixed-income neighborhoods” (Goetz, 2013).

CRITIQUES OF HOPE VI

One critique of the Hope VI program was that fewer public housing units were created than existed before. The 96,226 public housing units that were demolished were replaced by only 59,674 units that could be considered one for one replacement of public housing units. Furthermore, the replacement public housing units were only 45% of the new housing units that were created (Schwartz, 2015, p.184-202). The other units were comparable to market rate units or affordable, albeit usually to residents earning too much

income to qualify for public housing, through Low Income Housing Tax Credits (LIHTCs). Given this, it is important to note that one third of the public housing units were vacant prior to Hope VI (Schwartz, 2015, p.184-202). According to Goetz (2013), some of this vacancy was a result of deliberate actions taken by public housing authorities to increase their likelihood of gaining Hope VI funds. This suggests that Hope VI not only resulted in the net reduction of public housing units after redevelopment, but may have hastened the deterioration of existing public housing units prior to redevelopment.

Another major critique of the Hope VI program is that not everyone that was displaced because of redevelopment entered new housing built on the original site. In fact, only 24% of the original residents relocated to new Hope VI developments (Schwartz, 2015, p.184-202). Some were not allowed back into public housing due to new tenant restrictions barring those with criminal records or bad credit. Those who were eligible for housing assistance but did not enter into new Hope VI units were allowed Section 8 vouchers which allowed them housing assistance in private market rate housing. Section 8 voucher holders typically ended up moving to less impoverished areas than before (Schwartz, 2015, p.184-202). According to Schwartz (2015), “about 40% of those who did not return to the original Hope VI site now live in census tracts with poverty rates of less than 20%.” However, one of the big differences was the burden of now being responsible for paying for utilities which caused some households to have trouble adjusting financially. Overall, as of 2003, 20% of the 49,000 Hope VI residents displaced by redevelopment did not receive new public housing units or Section 8 vouchers; 14% of them left entirely and about 6% were evicted (Schwartz, 2015, p.184-202).

Private real estate development and management has taken on a bigger role through the Hope VI program. It was originally thought that the funding mechanisms needed to bring in and sustain a large mix of households could be supported through this partnership. Yet, notable changes take place when the stakeholders involved change. As is true for most private owners of real property, third party management of each development was instated in lieu of central management from housing authorities (Schwartz, 2015, p.184-202). This creates a separation between the residents, particularly the ones with the lowest incomes, and the housing authorities. Schwartz also makes the point that costs associated with long term maintenance as it relates to the housing subsidies also need to be looked at in order to inform the viability of future mixed income housing (Schwartz, 2015, ch.12).

Other critiques noted the amount of time it took to complete new Hope VI developments. By mid-2004 about one third of all planned Hope VI units were complete and by September 2008 about two thirds were completed with the program phasing out financing by 2010 (Schwartz, 2015, p.184-202). In that time, it is suspected that some former tenants simply could not wait for new units and moved onto other options outside of Hope VI (Schwartz, 2015, p.184-202).

There was also the notion that not all housing was “severely distressed” (Schwartz, 2015, p.184-202). The Hope VI program treated all public housing developments equally in that many of their housing authorities submitted requests for demolition and redevelopment even though, as mentioned previously, many developments were of decent quality. In other words, some developments could have been renovated instead of demolished and redeveloped.

There was also a missing component of resident input in the process of redeveloping public housing. In Designing Hope, the authors use qualitative methods to understand if the needs of residents who were being relocated due to Hope VI were being assessed correctly. What they found in a study of one development in Arizona, was that respondents needed services such as financial education and English as a second language courses. These were recorded in assessments but those services were not directly tied to the promise of the new mixed income housing that would take place. The authors propose that such qualitative information is important in informing the development of mixed income housing for the prescriptive purposes of the surrounding area. “The assumption that poverty must be deconcentrated through the creation of mixed-income housing comes from a top-down approach, and constrains the possibilities for policy solutions that could more accurately represent the perceptions, experiences, and desires of the residents themselves” (Lucio, et al, 2014).

The Hope VI program helped introduce affording housing into the housing market, making it vulnerable to changes in demand. In Janet L. Smith’s 2013 article, she questions whether the private market can be trusted to take on the goals of affordable housing that we have entrusted to it through the Hope VI program. She points out that if ownership of the developments is to remain in private management then there should be policy in place to guarantee affordability in perpetuity. The number of those affordable units should then be kept as a minimum and not be subject to the changes of market demand. She gives the examples of community land trusts and density bonuses as tools that could aid in meeting these goals.

Vale also notes that because of the inclusion of mixed income development into the private market, the various stakeholders involved are bound to have conflicting priorities. In Read and Sanderford's 2017 article the authors outline common problems found with pursuing mixed income projects and how they may be better handled from the developer's side. They cite gentrification, along with the failure to achieve housing policy and urban planning goals as some of the common problems with this form of development. As an answer to effects of gentrification, they suggest allowing for the chance for existing residents to stay in the neighborhood whenever possible as well as providing low income residents with better access to public services and resources (ibid). They also encourage the use of transparency and participation in participatory planning. They suggest that the goals and limitations between the public-private partnership be laid out beforehand so as not to interfere with broader regional planning. The emphasis here is not only on how to pursue development but also the importance of identifying the variables that affect risk for a mixed income development such as tenure and public services required.

Chapter 2: *Critiques of Mixed Income Development*

The perception of mixed income housing as a driver of prosperity for the poor has been widespread and been the subject of strong opinions from skeptics and practitioners alike. While many have said that mixed income housing can help those in need through well-off neighbors, better services, amenities, and more security, many fail to make the direct connection between these problems and mixed income housing as a solution. In their book The Theoretical Basis for Addressing Poverty Through Mixed-Income Development, Mark Joseph and his coauthors identify two rationales for mixed-income housing. One school of thought asserts that mixed income housing can be used to “counteract the effects of socio-economic and racial segregation” (Joseph et al, 2013). The other notion is that mixed income housing should be the basic strategy of choice for new urban development. Focusing on the former, they examine the ways in which mixed income housing is thought to bring about social change. An example is the idea that by having neighbors earning higher income, they may be able to provide information and advice on how to obtain higher wage employment or education. Joseph and his coauthors point out that goals of lifting households out of poverty and into economic mobility need to be directly tied to policy actions. They assert:

These developments would improve the environment for low-income families and thus have an indirect effect on their well-being. But in terms of more direct effects such as employment gains, opportunity, and well-being, it is unlikely that mixed-income residence by itself can promote observable change in the short or medium term (Joseph et al, 399).

The fallacy of perceived social benefits from mixed income housing is explored in Erin M. Graves’ Mixed Outcome Developments. In this study, observational data is used

to create a qualitative study to better understand if the social benefits of mixed income housing are at play. What Graves finds is that the interactions that do take place are either casual or formed in opposition to management's policies. In this way the development and its policies do indirectly and ironically cause social relationships to form. Yet, if actual goals of economic mobility are to be met then they should be facilitated as part of these programs. Graves asserts:

This study demonstrates that the desired benefits of mixed-income communities will not emerge simply because low-income and middle-income residents live in the same development.... Policymakers and practitioners should seek management that intends to develop policies with resident buy in, promote policies designed to encourage interaction across classes, and question policies that might dissuade it (Graves, 2011).

James DeFilippis and Jim Fraser dove into the deeper problem at hand. They claim that by using the socio-economic benefits, presumably produced by role model relationships, as a rationale for mixed income housing, we are pointing at the low-income population as the problem that needs to be solved. They assert that this reasoning is "largely based on the mantra that low-income people themselves are the problem, and that a benevolent gentry needs to colonize their home space in order to create the conditions necessary to help the poor 'bootstrap' themselves in a better socioeconomic position" (Defilippis et al, 2010).). With this aside we then ask who is mixed income housing really for, and who should have the choice to decide what the benefits are.

In All Mixed Up, Vale and Shamsuddin conduct a study of all 260 Hope VI developments in which they break down the types of projects into definable categories. From this they create a framework for decision making for future mixed income developments. The study breaks mixed income housing into categories of allocation (share

of units for low income households compared to others), proximity (spatial distance between unit types), tenure (share of owner occupied units vs rental), and duration (time limits of affordability). Surprisingly they find that 60% of Hope VI developments have a majority of public housing units. In looking at tenure they found that just over half the projects were renter skewed or had a mix of tenure with a majority of rental units. Considering duration, “sixty-one percent of Hope VI developments have subsidy structures unlikely to change in the first 15 years” (Vale et al, 2017). They essentially found that although literature on Hope VI mixed income developments suggest that public housing units are no longer a major part of this affordable housing structure, in actuality “more than 95% of HOPE VI projects have allocated a majority of housing units to low-income households” (Vale et al, 2017). This negates the idea that market, subsidized affordable and public housing units each comprise a one third share of the units for each project. This study, much like my own, seeks to establish how quantifiable information is needed as an analysis of existing housing to better inform future developments.

These studies focus on the intended secondary effects that mixed income housing supporters hope will be achieved such as increased tenants’ rights, friendlier neighborhoods, and reduced crime. If one thing is clear though, it is that for these secondary effects to be actionable goals associated with housing policy they need to have direct implementation plans instead of just being intended effects.

Theories such as those of James DeFilippis and Jim Fraser remind us that our top down approach of asserting mixed income housing as a solution to the effects associated with poverty, separate ourselves from those that are most affected by it. Qualitative studies such as those done by the authors in *Designing Hope* need to be conducted to better understand residents needs and reconnect the housing development process with its users.

Yet, much has yet to be done with interpreting the actual quantifiable data for mixed income housing. Vale and Shamsuddin's framework of typifying aspects of mixed income housing is one way of using analytical data to inform future housing developments. Income is another form of data that can be used to tell us the outcomes of mixed income development. I believe that only by looking at existing conditions for mixed income housing can we begin to understand what will and will not work as we move forward.

Chapter 3: *Case Studies*

I will now take a closer look at three mixed income developments that have had very different trajectories. The first, the Harbor Point project in Boston, Massachusetts, predated the Hope VI program and used private funding to turn a dilapidated public housing project into the neighborhood it is today. The second, the High Point project, has won awards for using sustainable design and mixed income housing to redevelop a West Seattle neighborhood. The last, the Victoria Commons development in San Antonio, has been a project I have watched closely throughout my education. Like many other redevelopment projects of its time, the plan includes Hope VI funding with the goal of housing a mix of income groups within the same complex. All of these are public housing redevelopment projects which were pushed forward and sometimes held back by the idea of mixing housing types to help solve social issues and physical blight with redeveloped, neighborhood-friendly housing.

PURPOSE

I wanted to look at two differently perceived successful projects along with the Victoria Commons project to get a better understanding of the types of income mixes that occupy mixed income housing after several years of completion. My plan was to consider the most recent data, which is the 2012-2016 American Community Survey and compare the developments to one another. I did so in curiosity of whether the mixes would be more evenly distributed across income groups or would they indicate a large representation of certain income groups over others. I also wanted to look at the Victoria Commons project closer by comparing the most recent data to previous income data, so I chose to take a step further and look at the ACS 2006-2010 survey. To compare it more accurately to 2016 data I needed to inflate it to 2016 dollars. Since the two timeframes would tell a story of income

group representation from initial project completion onward, I wanted to see if there was a significant difference in income mix. We do need to keep in mind that these income mixes are a neighborhood snapshot of a much larger picture. Are these sites reflected by the city or are they exceptions to the them? By overlaying the city MSA income data over the census tracts' income mix we can see how it compares to other sites relative to their city's income distribution.

By comparing income mixes across time, we can begin to identify what variables might contribute to income mix and what they might be connected to. By comparing between different projects, we can better understand what other variables contribute to different outcomes. For instance, one application could be to research correlations between a majority representation of income groups compared with compiled surveys showing overall satisfaction with the communities. It is my hope that analysis such as I've done for income can be applied in depth to other variables such as tenure, demographics, and policy. When compared across we can get a better idea of what mixed income housing can be.

METHODOLOGY

- Locate the developments and their corresponding census tract and MSA
- Use US Census Bureau American Community Survey for census tract and MSA income
- Use most recent data – the 2012 - 2016 five-year estimates
- Clean Excel data so that the income groups are evenly spaced. The income data as given by ACS are in groups that have different income ranges such as 0-\$10,000 and \$10,000-\$14,999. This means that I need to reorder the data into equal groups to represent the data accurately.

- Use a “combined chart” to see a bar graph of the income data with the MSA data overlaid.

San Antonio – Victoria Commons over time

- Choose a time frame that communicates change for the development
- Inflation: Inflate the 2010 data for the census tract 1103 that corresponds with the Victoria Commons project to get a closer look of the income mix over time.
 - For the 2010 ACS income data
 - Arrange income data into even income groups of \$5,000. I do this by assuming that each income group range can be divided by \$5,000 into equally sized groups. For instance, an income group from \$35,000-\$49,000 splits into three equal groups of \$5,000 increments.
 - Inflate the income group maximums by the inflation rate given by the US Consumer Price Index Inflation Calculator, in this case 1.11, to convert from 2010 dollars to 2016 dollars.
 - Carry over the percentage points that belong to the next 2016 income group proportionally. To do this I take the difference between the inflated maximum number and the corresponding 2010 maximum and divide that by the difference between the two adjacent income groups. The result is then multiplied to the original 2010 percentage and then added to the next income group.
 - Merge the \$5000 income groups to groups of \$10,000. The result can then be compared to 2016 income over time.

ASSUMPTIONS

While the Victoria Commons site is solely representative for the corresponding census tract this is not the case for the other two developments. In fact, the Harbor Point corresponding census tract includes a nearby university neighborhood. It should be noted that while these census tracts contain these developments there is some overlap with the existing neighborhoods. This can be seen as unrepresentative of the data for the other two developments. Also concerning scale, census block groups are smaller units and also collect income data for the ACS but mostly have errors too large to be reliable to report.

The ACS data collected is given in unequal income groups so I equally divided the data into groups of \$10,000 for each area. This may be seen as unrepresentative of the actual groups but it is the most accurate way to view the income mix for the areas with the information given. Again, this is done when calculating for inflation between 2010 and 2016.

VICTORIA COMMONS: SAN ANTONIO, TX

The Victoria Courts public housing development, originally built in 1941, was redeveloped into the Victoria Commons residential development, a mixed income community. In 2003, HUD approved an \$18,778,269 Hope VI grant for the community's revitalization and the first apartment building was completed in 2004. The market rate units under HemisView were completed in 2010, The Refugio Place affordable units were completed in 2004 and the Artisan Park townhomes were completed in 2007 (San Antonio Housing Authority, 2010). The San Antonio Housing Authority (SAHA) touted the first phase of the project as the first mixed income project in San Antonio. Since then SAHA has managed, developed and owned several properties labeled as mixed income

communities. The Victoria Commons community now contains these developments operated as mixed income communities in the city's downtown core.

The development itself received backlash after its new occupants learned that they had been misinformed about the intended income mix. New owners of townhomes in the development were surprised to know that the majority of new tenants were planned to be public housing recipients. They claim they were originally told the development would be 80% market rate and 20% affordable units but the opposite became true. Due to changes in the financing plan, the project goals had been changed (Olivo, 2013). This contention of affordable housing mixed with market rate units for this development has been ongoing, and has received both positive and negative attention.

What I am most interested in is who is actually benefitting from living at Victoria Commons. In 2010 when the development had its newest building completed, the market rate units had just been built. According to Figure 1 the income mix of the development at that time was mostly inhabited by those earning less than \$100,000 in annual income. That being said, no income group represented more than 10% of the income mix in the census tract, a distribution which is not reflective of the San Antonio MSA as a whole. For 2016 however, Figure 2 shows that those earning less than \$30,000 represented more than one third of the census tract. Again, these income groups were not a reflection of the San Antonio MSA which had lower representation in those groups. It seems that the units that changed the most in representation were the ones between \$100,000 and \$150,000. It is reassuring to know that the intended use of affordable housing is going to those who are most in need. Although, I do wonder what has changed that people of higher income are less represented in the area.

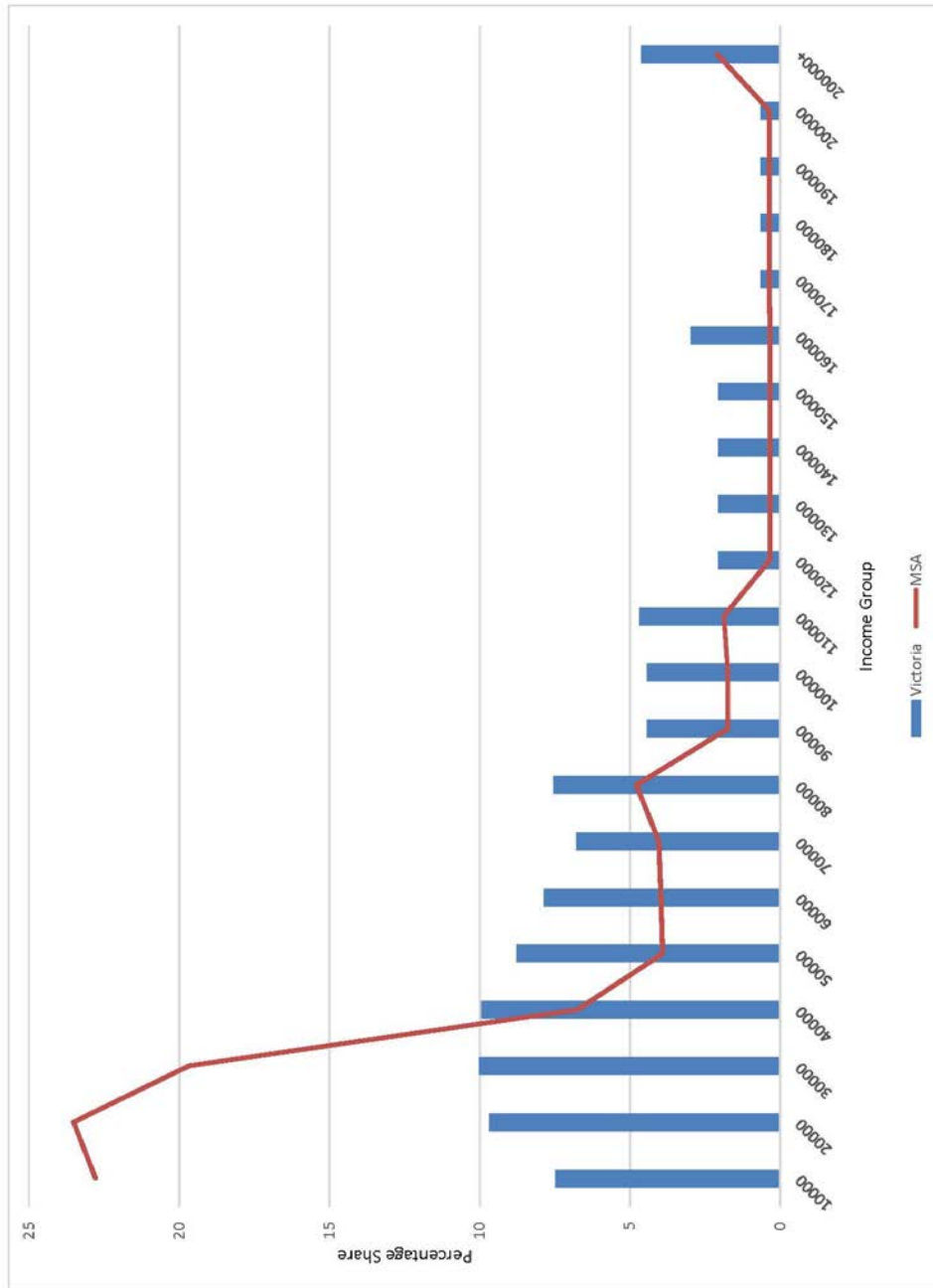


Figure 1: Income Mix for Victoria Commons Development and San Antonio MSA; Source: American Community Survey 2010 Table S1901 (Inflated to 2016 dollars)

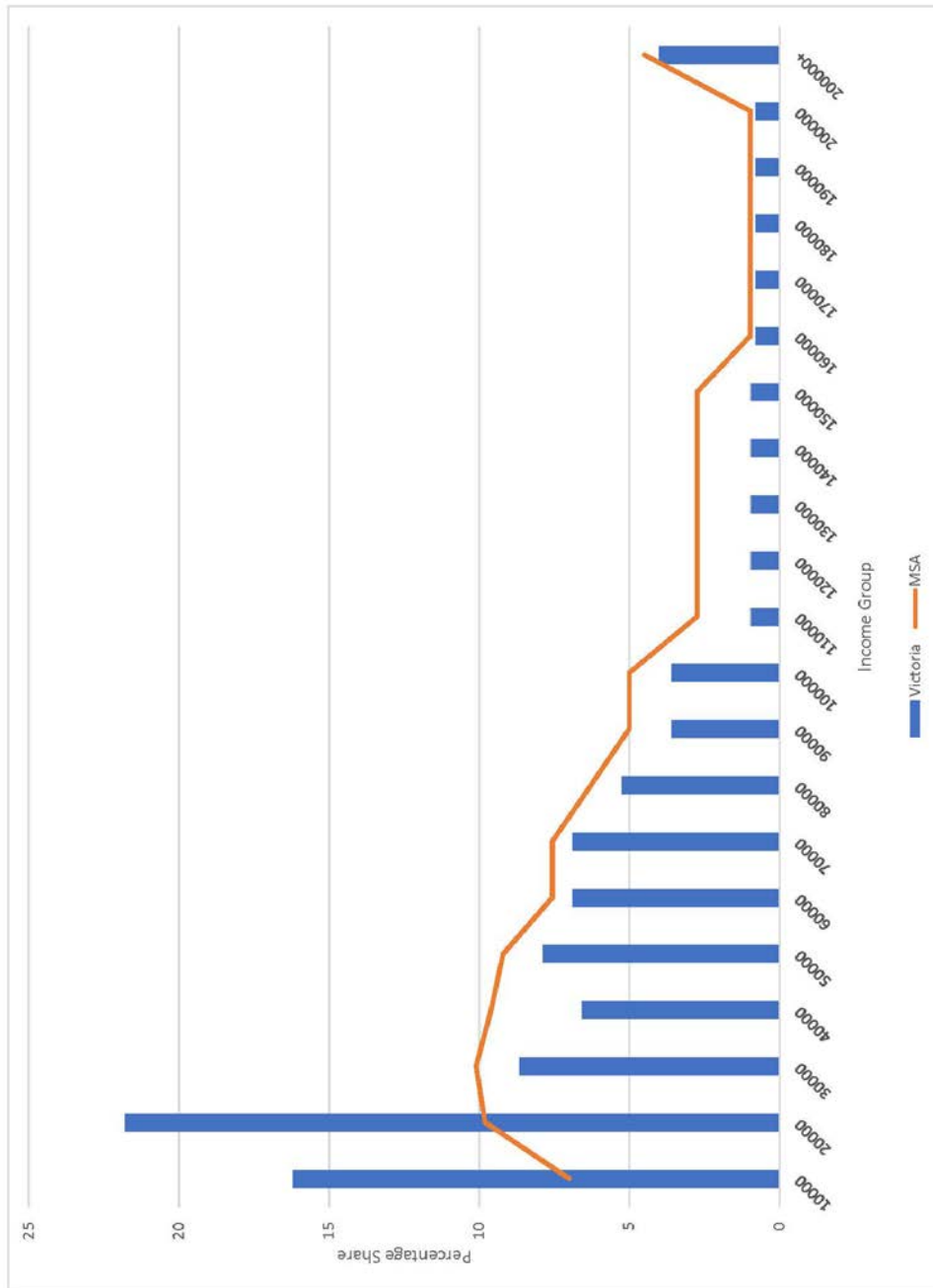


Figure 2: Income Mix for Victoria Commons Development and San Antonio MSA; Source: American Community Survey 2016 Table S1901

HARBOR POINT: BOSTON, MASS

Touted as one of the more successful mixed income projects, Harbor Point was the first mixed income development of its kind in America. Between 1954 and 1980 the Columbia Point neighborhood housed the public housing that, by the 1970's became known for its high crime and dilapidated buildings. Harbor Point in Boston is notable because it was not planned through the Hope VI program but as a private development project. "With federal approval, it [the City of Boston] leased the whole project to a real estate developer to rebuild as a privately managed residential community" (Rybczynski, 2013, pg.1). This was done by using two-thirds of the units for market rate housing and the rest using subsidized funding for low income resident units. The development team worked with the existing public housing tenants on the project and welcomed input on the ongoing management of the building by forming a tenant council organization. The project was completed with Goody, Clancy & Associates, the same urban design firm that facilitated work on the Victoria Commons project in San Antonio. In this project the selected firm allowed for walkable paths through the use of small building setbacks and plentiful trees for shade.

As we can see in Figure 3, Harbor Point seems to serve those most in need of any income group. Those earning less than \$10,000 represent almost 30% of the area. It is interesting to note that while there is a higher percentage share of households earning less than \$100,000 in the neighborhood, this pattern is not reflected in the Boston MSA. Those earning higher than \$150,000 have the lowest representation in the development area. It would seem that Harbor Point is not attracting higher income households into the development which one would think would be important to hold their share of market rate units. This is interesting because the site of the development is on a waterfront and it was originally hoped that this fact would bring in more higher income settlement.

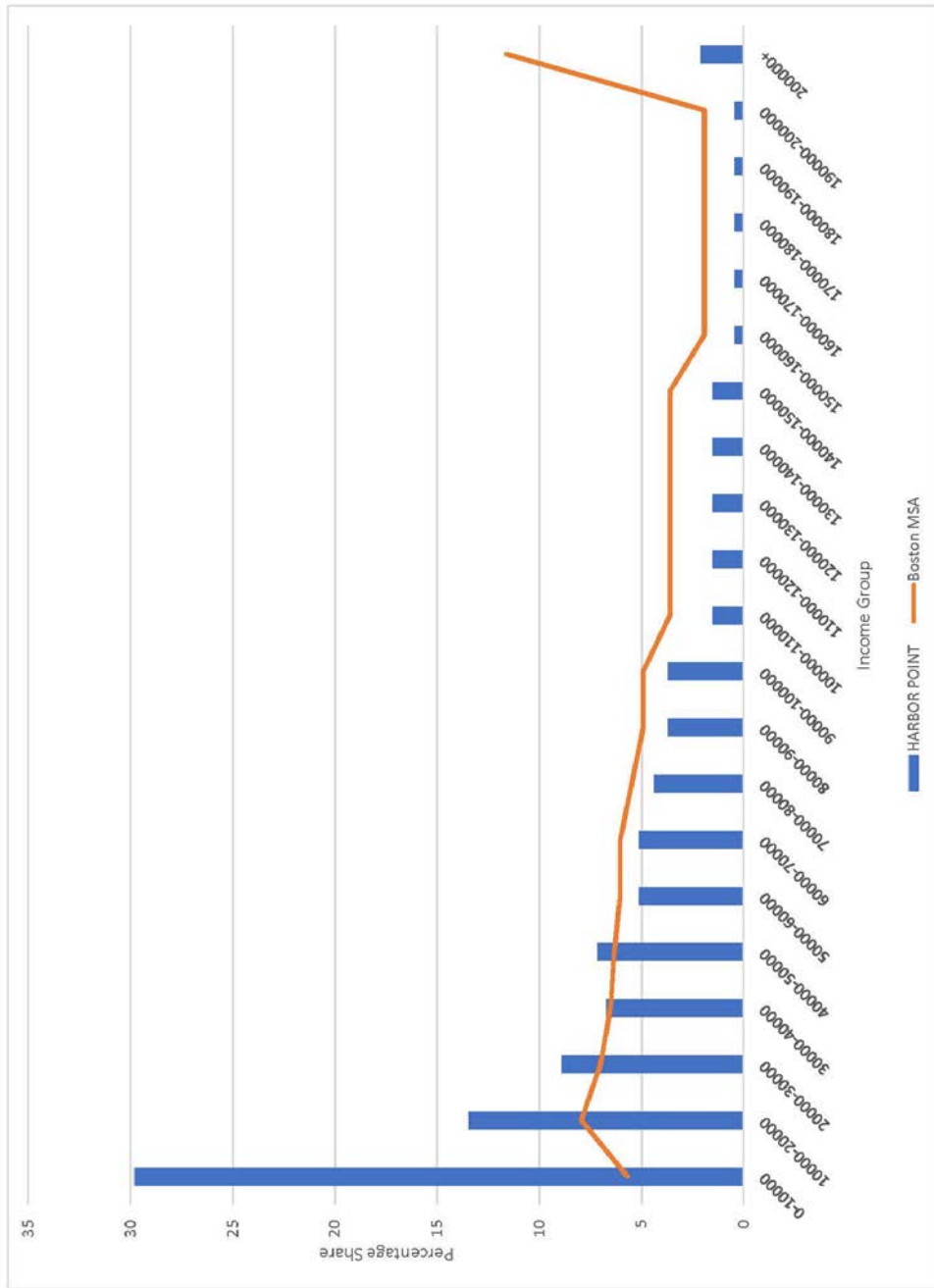


Figure 3: Income Mix for Harbor Point Development and Boston MSA; Source: American Community Survey 2016 Table S1901

HIGH POINT: SEATTLE, WASHINGTON

The High Point redevelopment plan in West Seattle replaced over 700 subsidized housing units that were in poor condition. After its completion around 2010, the 130-acre project was gained plaudits due to its inclusion of mixed income housing and sustainable design in its program. Many of the materials were taken from the existing buildings and sold. Existing trees were salvaged along with 2,600 new trees planned. Its natural drainage system allowed for water runoff to be filtered through a strip of greenery used as a swale. In this way it protected a nearby creek known for its thriving salmon population (Doyle, 2006). The wide variety of housing included market rate-for sale, market rate-rental and affordable units. The financing plan used to implement the 1600-unit development included other public and private funding in addition to the Hope VI grant. It is notable that the Hope VI grant provided \$35,000,000 to the project while the private investment totaled far more, \$285,000,000 (A Place to Live..., Seattle Housing Authority).

In Figure 4 we can see that those income groups earning less than \$50,000 represent the highest percentage shares of the area in 2016. The higher income groups are less represented in the area. Additionally, those higher income groups have a percentage share similar to their representation of the Seattle MSA. So even though the development project was planned to serve a wide income base, it would seem that a high percentage of those that occupy these spaces are those most in need. This is fortunate but I am surprised at the fact that the sustainable neighborhood design has not attracted more attention from higher income households wanting to settle in the area. I wonder if perhaps there is policy in place to ensure occupancy for those most in need.

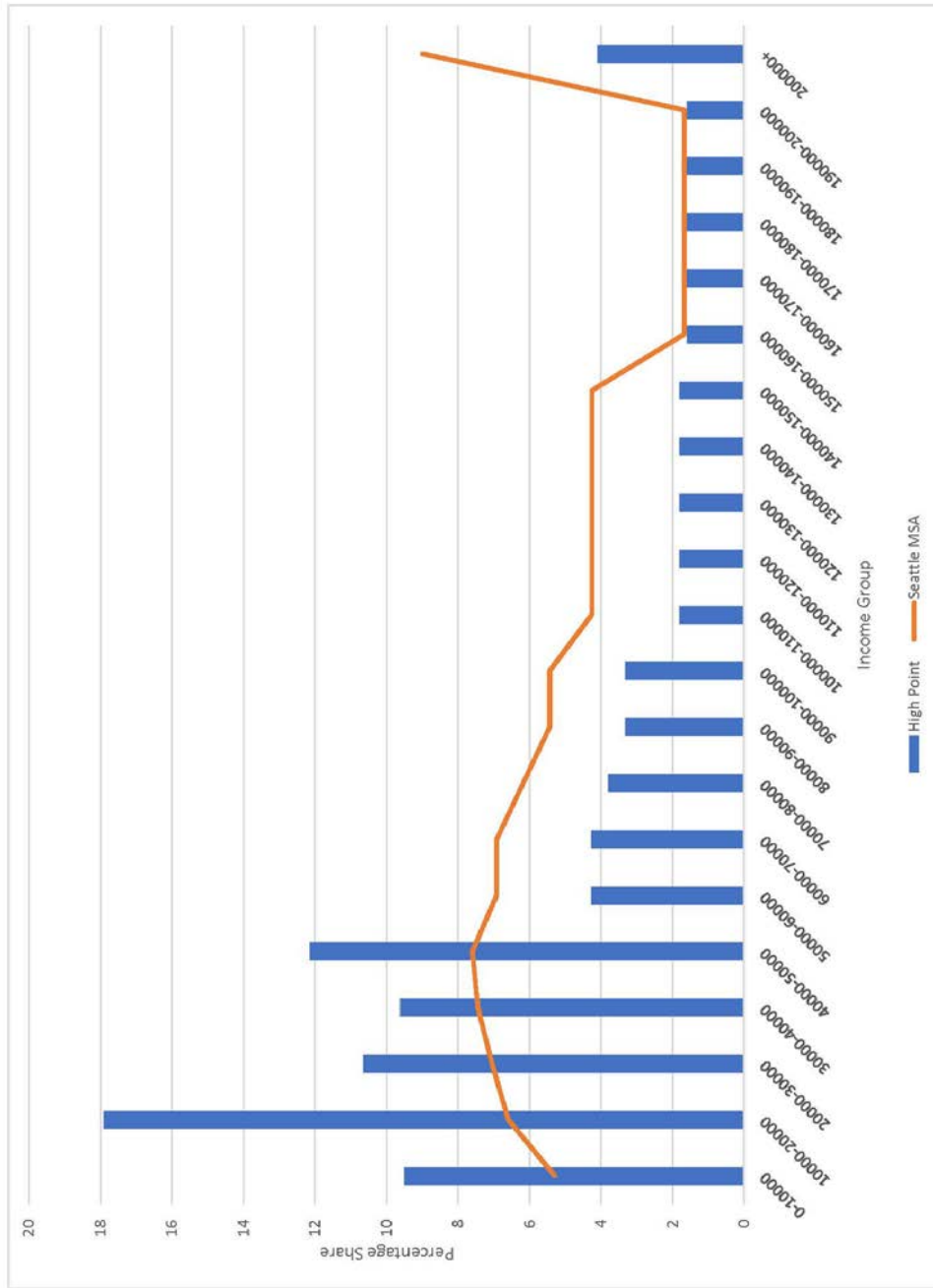


Figure 4: Income Mix for High Point Development and Seattle MSA; Source: American Community Survey 2016 Table S1901

INCOME MIX COMPARISONS

Looking at Figures 2, 3, and 4 above it would seem that the percentage share for area income groups above \$150,000 are mostly reflective of the city MSA for each. For the Victoria Commons example in San Antonio, this trend begins after the \$50,000 mark. The High Point project in Seattle shows the most equally distributed representation of lower income groups within the census tract. Harbor Point shows almost a 30% percentage share for those in the lowest income group which is higher than that of any of the three. Overall, I wonder how each development management team looks at receiving higher income people to anchor its funding. It may well be that each project is stable enough in their development plans given that each has several years of occupancy already.

Part of my expectation was that because of the redevelopment plan for these projects included a large list of other amenities, it seemed that development teams were looking to bring in higher income groups to help change the social and physical landscape of these neighborhoods. What has happened though given several years of occupancy for these areas, is that the low-income households seem to be well represented in these developments despite the fact that they were all built at different times and through different means. This is somewhat consistent with what Vale and Shamsuddin found when their data showed that public housing units had a high representation in the 260 Hope VI redevelopment projects. It would take further information from financing plans and annual fiscal cycles to learn how these developments are faring and what their expected capacity may be to continue providing affordable housing for people in need.

Conclusion

Many have asserted that mixed income housing is a development model that can answer the problems associated with concentrated poverty such as the physical deterioration of buildings, social issues like teen pregnancy and crime, low wages, and higher dropout rates. Yet without direct mention of how these problems can be addressed through the inclusion of different income groups in a single development, it leaves a lot to be unanswered. In order for mixed income housing to be effective we first have to know what goals are intended to be addressed. In the High Point project, the Seattle Housing Authority and the community engagement found that preserving natural resources in the neighborhood was key to the program. We first have to know who we are addressing and what their needs are. Luckily, we now have 260 Hope VI projects that have had some form of occupancy already and we can use that analytical data to inform what mixed income can be in the future. Qualitative information is needed to identify problems and needs with existing developments. Future developments will need to have a plan of what they intend to address. If there are social issues that require attention then programs such as financial education classes should be integrated with management and monitored. Further, the disparity between perceived representation of low income households compared to what has been studied by myself and others suggests that analysts of mixed income developments need to be thorough about the analysis that they focus on. As Vale points out “To date empirical investigation of mixed-income communities, at least in the United States, suggests that their outcomes are at least as mixed as their incomes” (Vale, 2015).

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