

# Comment on Mark L. Joseph's “Is Mixed-Income Development an Antidote to Urban Poverty?”

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## *Abstract*

In his thoughtful analysis, Joseph realistically points to what a mixed-income housing development can and cannot offer its low-income residents. Observed benefits include greater informal social controls over the development, likely proximal modeling opportunities for youth, and participation in a political-economic subgroup that can demand more responsive public services. Yet without offering more comprehensive, structured supports to its residents, no form of housing alone can be an antidote to poverty.

However, if we expand Joseph's analysis to include the impact of large-scale developments on distressed urban neighborhoods, we can see mixed-income housing catalyzing other benefits for low-income residents. These benefits include a reduced housing cost burden; more structured supportive services; dramatically improved surroundings; high-quality housing and community design; faster-paced complementary investments in public systems and amenities; and strategically restored market functioning that offers more choices, lower prices, new jobs, and additional tax revenues to support service delivery.

**Keywords:** Community development and revitalization; Low-income housing; Poverty

## **Right analysis, wrong question?**

Joseph presents a thoughtful analysis that realistically points to what we can and cannot expect a mixed-income housing development to offer its low-income residents. He is correct in concluding that low-income residents living in mixed-income developments are ideally afforded a set of opportunities that other forms of low-income housing typically do not offer. These include an attractive, affordable, well-managed home; a mix of fellow tenants—and often homeowners—who demand safe surroundings and market amenities while

effecting greater social control over their living environment; a better place for their children to grow and play; and participation in a more empowered constituency that demands and typically receives higher-quality goods and services from public and private actors.

Yet even with these observable socioeconomic supports, mixed-income developments in and of themselves cannot be expected to fully counteract poverty for their residents. The underlying causes and multiple effects of poverty—little attachment to the labor market, poor educational options, class and racial discrimination, limited social networks, physical or mental disabilities, substance abuse, family instability, criminal history—are structural and too interwoven to be solved from just a housing platform. Joseph is right to argue that mixed-income developments must be coupled with a more comprehensive approach to supporting very low income residents, many of whom have come to be called “hard-to-house,” as they transition out of poverty and into the American mainstream.

Nonetheless, mixed-income developments may offer greater benefit to those struggling with poverty than Joseph concludes from his analysis. In the face of mounting opposition to low-income housing developments, the role of mixed-income developments in preserving and expanding the supply of affordable housing in many areas deserves more study. Also, many more very low income residents may be able to access the opportunities associated with mixed-income developments if structured supports are made part of the actual process.

Moreover, if we expand Joseph’s analysis to include the impact of well-executed mixed-income developments on distressed urban neighborhoods, rather than just on low-income residents, we are likely to see such developments catalyzing other effects that can potentially benefit many more low-income residents. Dramatically improved surroundings, high-quality housing and community design, mobilization of large-scale investments, faster-paced complementary investments in public systems and amenities, and strategically restored market functioning are just a few of the benefits that might accrue.

### **Preserving and expanding the affordable inventory**

It is important to underscore the greater market acceptance of mixed-income developments as a means of providing low-income housing—a point that Joseph acknowledges. As is well known, many of the previous approaches sought to segregate the poor into dense apartment complexes employing low-cost design and construction. Researchers know and much of the public believes that a large concentration of public and assisted housing in any urban

neighborhood does not lead to good outcomes for families, the surrounding neighborhood, or even large parts of cities. It is no surprise then that community after community in cities and suburbs alike—and a large number of advocates for the poor—continue to oppose the development of projects that offer only low-income housing.

What these communities want (or will tolerate) is a new or re-engineered housing product that is attractive, blends in with surrounding neighborhood architecture and design, has appropriate densities and market-standard amenities and property management, and keeps some of the units affordable to lower-income residents willing to meet admission and occupancy standards. In light of this community and market acceptance, which is more and more backed by political demand, it is becoming increasingly difficult to build or rehabilitate affordable housing that is not part of a mixed-income development. Although the number is difficult to quantify, it is fair to ask how much less low-income housing would be produced if a mixed-income alternative were lacking. It may be that in many communities, then, a mixed-income approach is becoming the most viable—if not the only—way to preserve and add to the affordable housing inventory. And the value of reducing the housing-cost burden for thousands of low-income tenants through a mixed-income approach, regardless of other benefits, may be more than we think.

The community and market acceptance of mixed-income development in sites where 100 percent low-income housing would be rejected has been a fairly significant factor in the work of The Community Builders, Inc., the nonprofit, Boston-based, affordable housing developer for which I work. Over the course of its 42-year history, Community Builders has completed 260 projects containing over 20,000 units of affordable housing. Many of the more recent projects are mixed-income developments.

In 1988, Community Builders joined with others in developing the 269-unit Tent City apartment complex, a highly successful mixed-income development on the edge of Boston's South End. Tent City, which blends approximately one-quarter market-rate tenants with a balance of low- and moderate-income renters, was developed in response to residents' pleas for more affordable housing when market forces in the South End and the adjacent Back Bay neighborhood were making housing more expensive. Some of these forces resulted from the recent construction of the high-end Copley Place mall, which straddles the Back Bay and the South End and anchors an increasingly affluent retail core around the Prudential Center. Given the prime real estate involved, it is unlikely that little if any additional affordable housing would have been created in the increasingly upscale market around Copley Place without a mixed-income strategy.

## **Structuring greater supports**

More recently, Community Builders has been engaged in 16 HOPE VI (Housing Opportunities for People Everywhere) public housing redevelopment initiatives in New England, the Midwest, and the Mid-Atlantic region. In each of these initiatives, we have executed, together with our local partners, a mixed-income strategy that combines significant amounts of public housing with other deeply subsidized low- and moderate-income and market-rate units.

With the impetus of the HOPE VI program, which provides funding for resident and community initiatives, and support from major foundations, Community Builders has worked to structure a set of supports for public and assisted-housing residents moving into its mixed-income developments. About 40 site-based staff deployed at 15 of the mixed-income sites undergoing development help prospective residents negotiate the myriad admission and occupancy hurdles related to employment, credit and rental histories, income level, and utilities and smooth their transition into their new housing and community.

In just the past half-dozen years, we have helped over 4,700 very low income families successfully transition into our mixed-income developments. To make the transition, families have needed assistance in maintaining adequate employment and income. In response, we have helped them secure nearly 1,600 jobs and claim \$11 million in Earned Income and Child Tax Credits. They have also often required family and individual services, such as day care, transportation assistance, health care, or elderly services. Through networks of local providers, we typically connect about 2,200 of our residents each year to needed supports. Since children and youth undergo significant transitions as well, we coordinate youth development programming and educational enhancements, including on-site computer resource rooms, for about 1,200 youth per year. Even with these structured supports, many families need additional help to remain in our developments. Through a process that identifies early on any red flags related to tenancy, we help about 1,100 families per year avoid being drawn into an eviction process.

At Community Builders we believe that these kinds of structured supports are critical to helping families ultimately succeed in our developments. Our experience suggests that resident supports work best when aligned to the housing development process and requirements. That is, residents are motivated to advance their job skills or education or repair their credit when doing so can help them meet the admission criteria of a new mixed-income community.

## **Addressing the most distressed public housing**

Our HOPE VI experience has led us to execute mixed-income housing strategies in some of the most distressed urban neighborhoods in major cities as diverse as Boston, Hartford (CT), Pittsburgh, Louisville (KY), Cincinnati, and Chicago, as well as in a number of smaller cities such as Holyoke (MA), New Brunswick (NJ), Norfolk (VA), Durham (NC), Wheeling (WV), and Akron (OH). In each of these settings, we have confronted either the remnants or the realities of some of the densest, most badly deteriorated public housing to be found in that market—projects characterized by high unemployment rates, unsafe streets, poor public schools and truancy, rampant drug activity, and marginal public and private services.

Although the HOPE VI program by no means comprises the total set of mixed-income development experience, Community Builders and other developers have found it to be an effective tool in transforming the conditions posed by these types of troubled public housing complexes (Turbov and Piper 2005). HOPE VI has worked in these cases because it musters the resources needed to meet large-scale housing and neighborhood problems with better-engineered, large-scale solutions.

When originally funded at adequate levels, HOPE VI made available the significant amounts of capital needed to demolish obsolete structures, clear and prepare large sites, partially install needed infrastructure, and build replacement housing for projects that sometimes involved thousands of units. These resources, coupled with the greater market acceptance of mixed-income developments, enabled public housing authorities and their developer partners to direct their efforts at the projects that many observers felt were too large and too troubled. Yet the scale and the extent of the distress involved in these projects was key to their transformation, as well as that of the surrounding neighborhood, in several ways.

First, the sheer physical scale of these projects provided the starting point in reclaiming control over huge swaths of land and public spaces that had become nearly unlivable for residents and inhospitable to incremental improvements because of the large concentrations of failed public housing. What had been a constraining force on the neighborhood market could be turned into a significant redevelopment advantage. These sites could be replanned in a broad-scale fashion, rather than piecemeal, with positive effects.

One important aspect of these efforts is that large-scale redevelopment activities have proven quite effective in displacing the crime, drug markets, and other undesirable activities that had rooted themselves in distressed public housing projects. In Atlanta, for example, where the Atlanta Housing Authority and a local developer partnered in the mid-1990s to rebuild the former

Techwood/Clark Howell Homes public housing complexes around Georgia Tech into the highly acclaimed Centennial Place mixed-income community, crime in the surrounding area plummeted 93 percent between 1993 and 2004 as the site was being redeveloped (Turbov and Piper 2005). Other HOPE VI mixed-income developments have seen similar results; one example is the Villages at Park DuValle in Louisville (KY), where crime decreased 82 percent in an area that had been home to more police reports per square mile than any other place in the state (Turbov and Piper 2005).

Second, the scale of these sites also made local actors much more conscious of the imprint that the HOPE VI redevelopment would leave on the urban landscape for decades to come. This encouraged broader vision and better planning. New Urbanist and “livable space” principles were incorporated into master plans, including efforts to reduce massing and densities, to reconnect compacted sites to neighborhood street grids, to blend architectural designs with those of the surrounding neighborhood, and to capture established green space and parks in siting decisions.

Third, economies of scale could also be realized in the design of mixed-income housing on these larger sites. The otherwise unaffordable costs of better unit design and features, more attractive construction materials, and compelling amenities on and around sites with cross-market appeal—computer resource rooms, fitness centers, community meeting space with food preparation and program areas, playgrounds, and even swimming pools—could be spread across a greater number of units with a wider rent structure to support them.

All of this can enhance the experience of residents living in the new mixed-income developments, especially former public housing residents. Where the public housing that was replaced may have featured dense high-rises with common, corridor-style entries and little defensible open space—not to mention obsolete, badly deteriorated units—the new mixed-income developments could offer lower-density town houses and small apartments with direct, exterior entries, individual lawns and patios, and convenient parking. Units for lower-income residents were interspersed throughout the new development and designed to be indistinguishable from its moderate-income and market-rate units. This sort of planning and design sent strong signals to all market segments that these efforts were not merely restyled and updated versions of the failed public housing that had occupied these sites. Rather, they were seen as compelling new products in local housing markets, products that incorporated the best principles of housing and community design found in high-end developments.

## **Mobilizing additional resources**

The size, quality of planning, and economies of scale related to the redevelopment of these types of troubled HOPE VI projects can also set the stage for mobilizing greater resources in support of a new mixed-income development. Here again, the scale and level of investment in the housing help establish a logic and rationale among local leaders for making complementary, large-scale investments in other neighborhood systems and amenities, such as public schools, libraries, parks, community/recreation centers, health clinics, and retail corridors.

Louisville (KY) Mayor Jerry Abramson promoted this rationale to other local leaders in enlisting their support to think much more broadly about the potential redevelopment of the West End's 1,100-unit Cotter-Lang public housing site for which Community Builders served as developer. With the prospect of a \$51 million HOPE VI grant to help build new mixed-income replacement housing, Mayor Abramson persuaded the school system, parks/recreation and health departments, homeownership developers, and others to commit an additional \$130 million in public and private investments on and around the 60-acre site.

Today, the 1,100 new homes, town houses, and rental apartments of Villages at Park DuValle are fully built out and have won numerous planning and design awards for excellence. A spacious, light-filled clubhouse and swimming pool complement computer resource rooms and other youth and adult programs in the nearby residents' center operated by Community Builders. The neighborhood fire and police stations have been renovated. Jefferson County Public Schools invested over \$16 million in improvements to the local elementary and Montessori schools and the life-long learning complex known as the DuValle Education Center. A brand-new federally qualified health center was built in the community with the explicit mission of serving all income groups. An independent living complex for the elderly was completed as part of the mixed-income housing program. Retail—including plans for a new grocery store—and personal services that had fled are beginning to return to the neighborhood. It is also once again possible to have pizza delivered to homes in the new Park DuValle complex after major chains refused for years to deliver to the Cotter-Lang apartments.

## **Facilitating a strategic repositioning**

Taken together, the scale, quality, and leveraged public and private investments that are integral to a well-executed mixed-income development have the potential to restore a formerly depressed neighborhood market for both private

goods and public services. A better-functioning market benefits all neighborhood residents, regardless of their income, and provides significant additional value to cities. Expanded, higher-quality retail and personal services tend to follow the build-out of the housing market. As Joseph and others have observed, moderate-income and market-rate tenants and homeowners join with low-income households in demanding better safety, sanitation, infrastructure, and other public services. The mix of incomes in this market also generates additional taxes, which can support enhanced services.

Overall, a restored market offers more choices, lower prices, new jobs, additional tax revenues, and a more livable environment. All of this benefits low-income residents living both inside and around a mixed-income development; many of these residents disproportionately bore the costs and felt the effects of prior disinvestment. In addition to a dramatic drop in crime as the Park DuValle redevelopment effort was initiated in the mid-1990s, the unemployment rate in the surrounding neighborhood fell by 27.4 percent between 1990 and 2000. By 2000, the labor force participation rate in the area had increased 6.8 percent to 56.8 percent (Turbov and Piper 2005).

As the Park DuValle example shows, low-income residents living in and around large-scale mixed-income developments are more likely to benefit, and benefit more quickly, when these developments are purposefully planned to leverage significant additional investment in higher-order public services—schools, life-long learning, health centers, and recreation.

The more intentional and comprehensive scope of this type of planning builds on the value of a mixed-income development and affects the surrounding land and environment. Other public and institutional actors with an interest in the redevelopment of the neighborhood, such as the public school system or a university, can be engaged in the master planning process and persuaded to coordinate their own planning and development activities in a way that serves their interests and enhances the larger plan.

Variations of this type of comprehensive planning were carried out with Park DuValle and with Centennial Place in Atlanta and other successful HOPE VI mixed-income developments. Perhaps the most ambitious form of this process is under way in Chicago around the Chicago Housing Authority's (CHA's) Plan for Transformation, which is rebuilding or rehabilitating 25,000 units of the city's most troubled public housing projects as mixed-income housing. As part of this process, Community Builders is serving as lead developer with two local partners, Target Group and UJIMA, in the redevelopment of the former Madden-Wells-Darrow public housing complex into the new Oakwood Shores development near the lakefront in the Mid-South/Bronzeville neighborhood.

In the Oakwood Shores redevelopment initiative, the Plan for Transformation provided a framework for local stakeholders and other actors to integrate and leverage the development of the new mixed-income housing into the larger development vision and activities of the surrounding Mid-South/Bronzeville community. The framework brought stakeholders such as residents of the Madden-Wells-Darrow public housing, the North Kenwood–Oakwood Civic Association (a well-established community association), the city council alderman, and the Quad Community Development Corporation (Quad CDC—a new entity founded by the alderman, the Local Initiatives Support Corporation, and the MacArthur Foundation) together with CHA to engage in broader master planning around the site, select a developer, and form a stakeholder working group to provide ongoing oversight. It also enabled community-based organizations such as the Quad CDC to contribute effectively to the broader vision and serve as its steward as the project moves forward. Among its many other efforts, Quad CDC is enlisting developers and merchants in efforts to reinvigorate Mid-South/Bronzeville retail corridors to respond to the new Oakwood Shores community.

Through the HOPE VI program, the Plan for Transformation has provided substantial financing for physical development. It has also assembled considerable funding and management capacities from local foundations, businesses, and social service agencies to help public housing residents access the support they need to successfully transition into the new mixed-income housing options.

At the same time, the commitment of Mayor Richard Daley to the Plan for Transformation brought his leadership and management of public sector resources to bear in support of each of the emerging plans around the new mixed-income housing initiatives. At Oakwood Shores, the Chicago Parks District has aligned improvements to area parks and recreation facilities with recommendations from the redevelopment master plan. In response to calls to improve options for those who depend on public transportation, the Department of Transportation is assessing the feasibility of creating a new subway stop in the neighborhood. And, most critically, the mayor simultaneously launched the Renaissance 2010 initiative to drastically overhaul and provide new choices within the Chicago Public Schools (CPS) system.

At the urging of Oakwood Shores stakeholders, Renaissance 2010 has already led the University of Chicago to start a new public elementary charter school adjacent to the new site. Given this successful effort, the University of Chicago is now working with CPS, parents, and others to launch a new charter middle school in the Oakwood Shores catchment area—one that will eventually include a high school. With these investments, the University of Chicago

also agreed to extend its policing boundaries into the Oakwood Shores community.

At nearly every step of the unfolding redevelopment process around Oakwood Shores, the John D. and Catherine T. MacArthur Foundation has provided early and crucial leadership and funding to support neighborhood planning, organizational capacity building, and management and program needs for resident and community initiatives. Leaders of major Chicago businesses have joined together under the auspices of a special-purpose organization called the Partnership for New Communities to provide leadership and management support, employment and training commitments, and other support to low-income residents participating in the Plan for Transformation.

The process and tangible products that are unfolding around the Mid-South/Bronzeville neighborhood suggest ways in which a comprehensive vision and a well-structured planning and implementation process can not only leverage the investment in a new mixed-income development, but can also catalyze and focus other investments that might otherwise take place in an incremental, uncoordinated fashion. More important, the new schools and recreation facilities, upgraded parks and retail, and perhaps a new transit stop will offer immediate benefits to everyone living within and around the development.

It may well be that these benefits will prove the most valuable to low-income residents already living in the neighborhood. The combination of forces that allows a child who formerly lived in the severely distressed Madden-Wells-Darrow public housing complex to attend a high-performing elementary school with engaging after-school activities, then walk home along safe, attractive streets with varied uses to a new, affordable apartment at Oakwood Shores may be the greatest value of all. These benefits, although difficult to isolate and quantify, offer a more complex yet perhaps truer antidote to poverty than mixed-income housing alone.

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### *Reference*

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