NEIGHBORHOOD REVITALIZATION: HOUSING DATA TRENDS & THE NEED FOR MIXED-INCOME SOLUTIONS

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FEDERAL RESERVE BANK OF ATLANTA

New president
Dr. Raphael Bostic

FRB ATLANTA
(SIXTH DISTRICT)
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.

ECONOMIC INCLUSION AND MOBILITY
GEORGIA MEDIAN INCOME LOWER THAN US, SMALL INCREASES IN PAST YEARS

Census CPS, 2015 CPI-U-RS Adjusted $

Median Household Income, US and Georgia
GEORGIA HOMEOWNERSHIP RATE LOWER THAN US RATE, DECLINING

Census CPS/HVS

Homeownership Rate, US and Georgia

Recession US GA
HOUSING COSTS HIGHER FOR RENTERS THAN OWNERS

Census CPS; AHS

Housing Cost as a Percentage of Income

- Owners
- Renters

- Recession years indicated by grey shading.

Data trends from 1985 to 2015.
LOW INCOME RENTER HOUSEHOLDS MORE COST BURDENED, 1960-2014

JCHS: Dec. Census, ACS

Percent Cost Burdened Low-Income Renter Households (Lowest Income Quartile Households Only)
“DEVELOPING INCLUSIVE COMMUNITIES”

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

Paper URL: https://goo.gl/ykURju
• Question: how can we foster the production of mixed-income communities, given the current environment of increased costs and reduced subsidies?
• Interviewed stakeholders in Atlanta, Jacksonville, and Nashville

Source: U.S. Office of Management and Budget
3 Major Challenges:

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

Source: Real Capital Analytics, 2017
## SUMMARY OF CHALLENGES AND STRATEGIES TO FOSTER MIXED-INCOME HOUSING

<table>
<thead>
<tr>
<th>Challenge</th>
<th>Strategy</th>
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<tr>
<td>Address high land costs</td>
<td>Implement land banking and community land trusts</td>
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<td>Limit exclusionary land use regulations</td>
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<td>Decrease regulatory and administrative burdens</td>
<td>Allow for more flexibility in use of funds from existing programs</td>
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<td>Streamline application, reporting, and monitoring requirements across agencies</td>
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<td>Increase incentives</td>
<td>Advocate for more federal and new state tax credits for affordable housing investment</td>
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<td>Create dedicated state and local housing trust funds</td>
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<td>Preserve existing affordable units</td>
<td>Incentivize owners to renew affordability commitments</td>
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<td>Set aside funds for preservation without competition from new development</td>
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<td>Build political support</td>
<td>Frame affordable housing as a competitive economic advantage for localities</td>
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<td>Improve messaging, outreach, and education to the public and elected officials</td>
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<td>Improve coordination with other sectors</td>
<td>Utilize available land owned by transit agencies, public schools, and development agencies</td>
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<td>Coordinate programming with workforce development and transit agencies</td>
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• For low and moderate income households, housing is increasingly unaffordable
• Mixed-income neighborhoods offer enormous benefits in contrast to concentrated poverty
• Local and state solutions are needed to subsidize and incentivize mixed-income development
Thanks!
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