

“Increasing Access to Low-Poverty Areas by Creating Mixed-Income Housing”

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The housing examples included in this report were selected because they:

- 4) Incorporate a mix of affordable and market-rate units within the same development or
- 2) Have more than one income tier of affordable units in an area with little or no affordable housing and
- 3) Are located in a low-poverty area*

*defined as census tracts with an individual poverty rate of less than 10% based on 2000 Census data



Why Focus on Low-Poverty Areas?

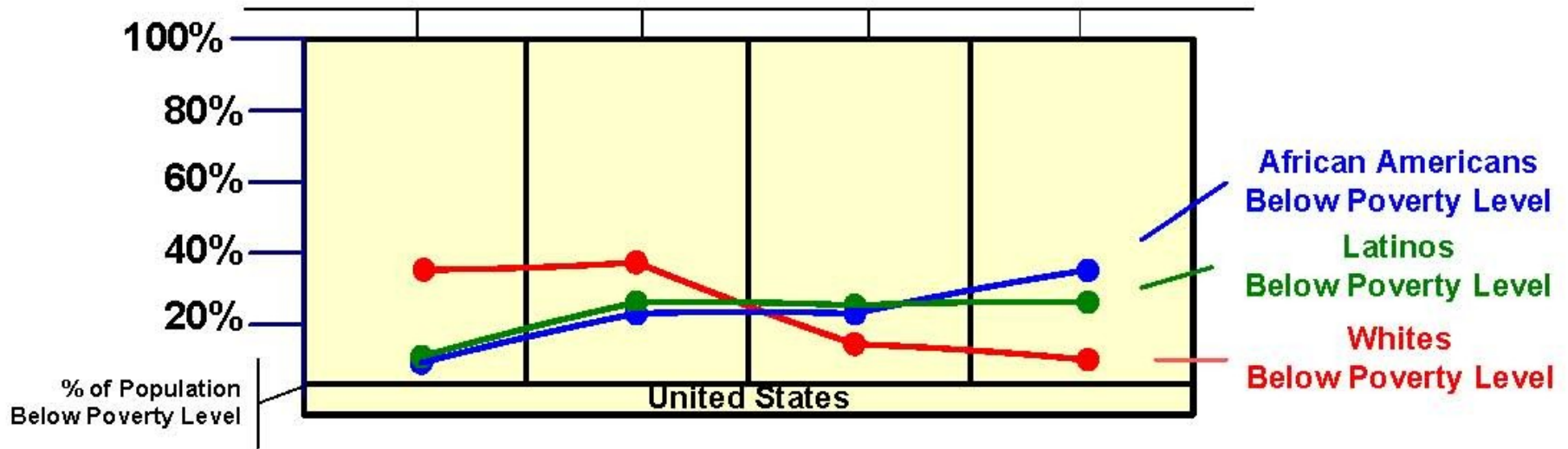
- Development of mixed-income housing in low-poverty communities expands housing choice and creates more open communities
- Most new affordable and mixed-income housing has not been developed in low-poverty areas
- Many low-poverty communities take steps to limit affordable rental housing development
- Yet, there are efforts in metro regions around the country to create mixed-income housing in such communities



Location of Populations Below the Poverty Level by Race and by Poverty Concentration of Census Tracts in the United States

Poverty Concentration in Census Tracts

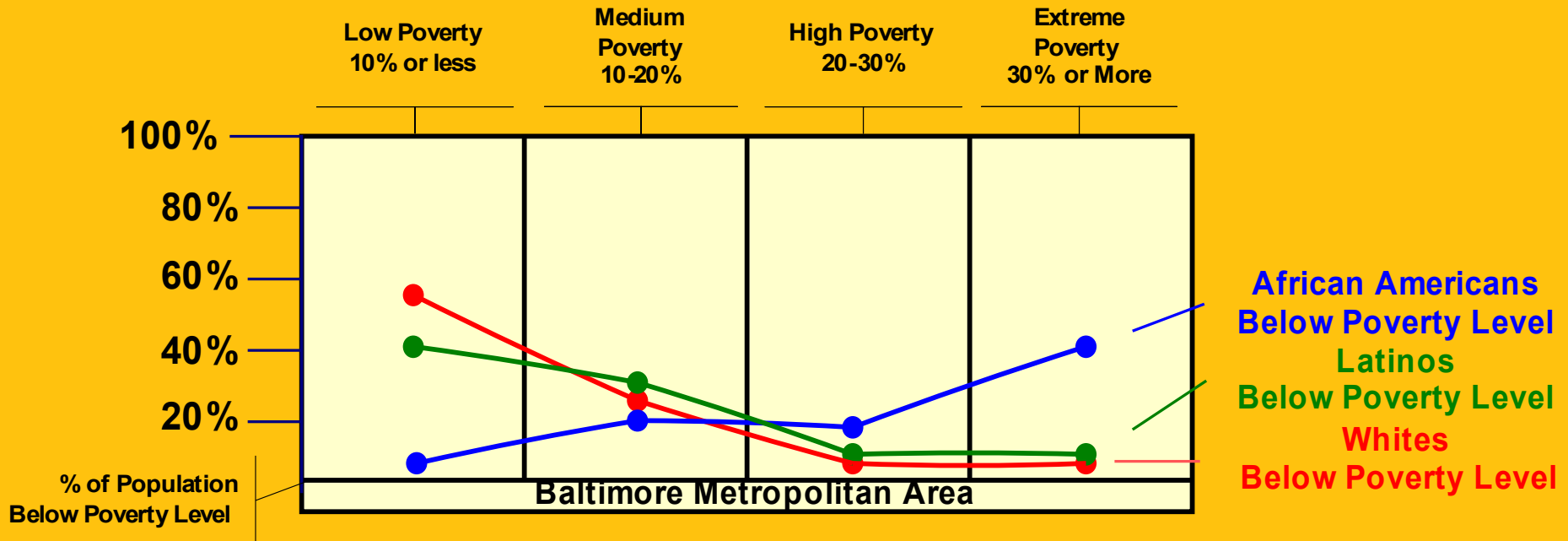
Low Poverty 10% or less Medium Poverty 10-20% High Poverty 20-30% Extreme Poverty 30% or More





Location of Populations Below the Poverty Level by Race and by Poverty Concentration of Census Tracts in Baltimore Metropolitan Area

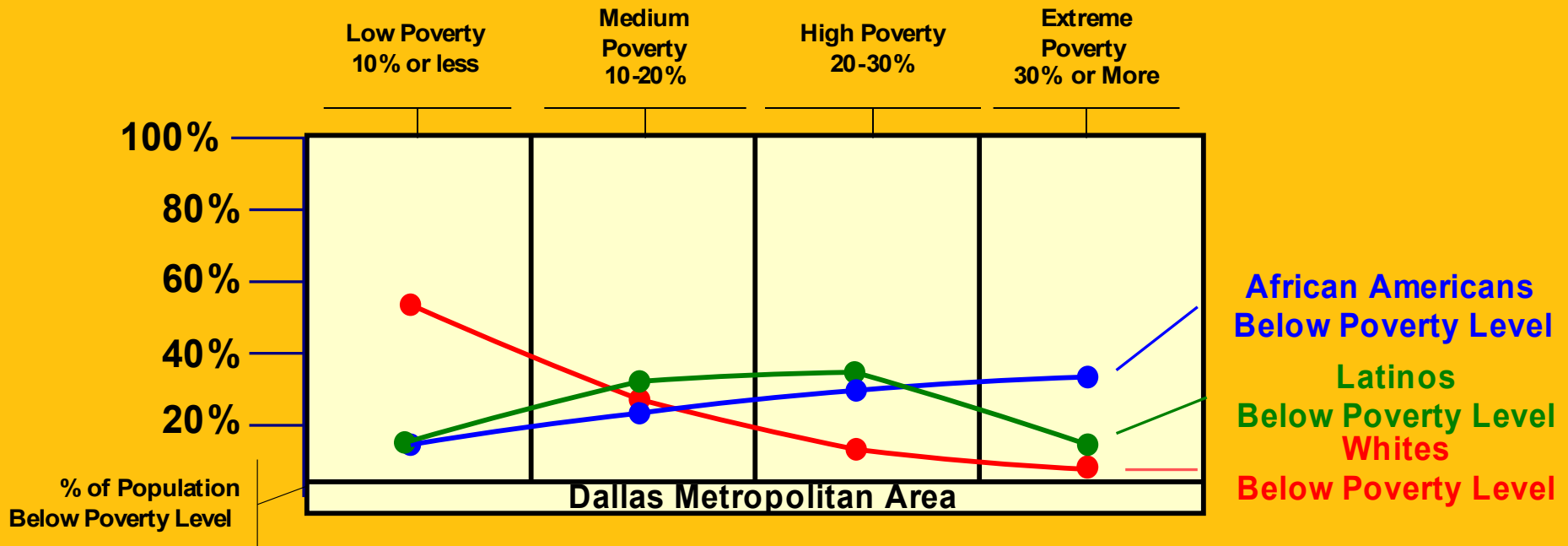
Poverty Concentration in Census Tracts





Location of Populations Below the Poverty Level by Race and by Poverty Concentration of Census Tracts in Dallas Metropolitan Area

Poverty Concentration in Census Tracts





Impetus for Development of Mixed-Income Housing in Low-Poverty Areas

- Local and/or state policy support
- Opportunity to acquire land
- Community strategy
- Fair housing remedy

Type #1: Local and/or State Policy Support

La Costa Paloma Apartments *Carlsbad, CA (Opened in 2005)*

Interview: Susan Reynolds, Community Housing Works



DEVELOPMENT DESCRIPTION

La Costa Paloma Apartments is a 180-unit rental complex in Carlsbad, CA, located within The Villages of La Costa, a 3600-unit planned residential community. The City of Carlsbad, a northern suburb of San Diego, has a 6% poverty rate. Nonprofit housing developers, Community Housing Works and Mercy Housing, built and operate the site. The site has apartments within two income tiers - 28% of the units are at <50% AMI and 72% of the units are at <60% AMI. There is a community center with meeting and exercise rooms, and playgrounds on-site with public bus transportation, retail stores, and a City library within blocks.



La Costa Paloma Apartments (Carlsbad, CA)

DEVELOPERS

Community Housing Works (CHW) is a San Diego-based nonprofit developer with more than 1300 rental and cooperative units. CHW also operates a homeownership center and provides loans to first-time homebuyers.

Mercy Housing is a national nonprofit housing developer based in Denver, CO.

UNITS AND INCOME MIX

50 Units at 50% AMI

130 Units at 60% AMI

180 Total

La Costa Paloma includes 79 three-bedroom and 30 four-bedroom apartments.

FINANCE

\$20 Million State of CA Tax-Exempt Bonds

\$2 Million City Low-Interest Loan

\$2 Million Morrow Development Contribution*

\$11 Million 4% LIHTC

\$35 Million Total

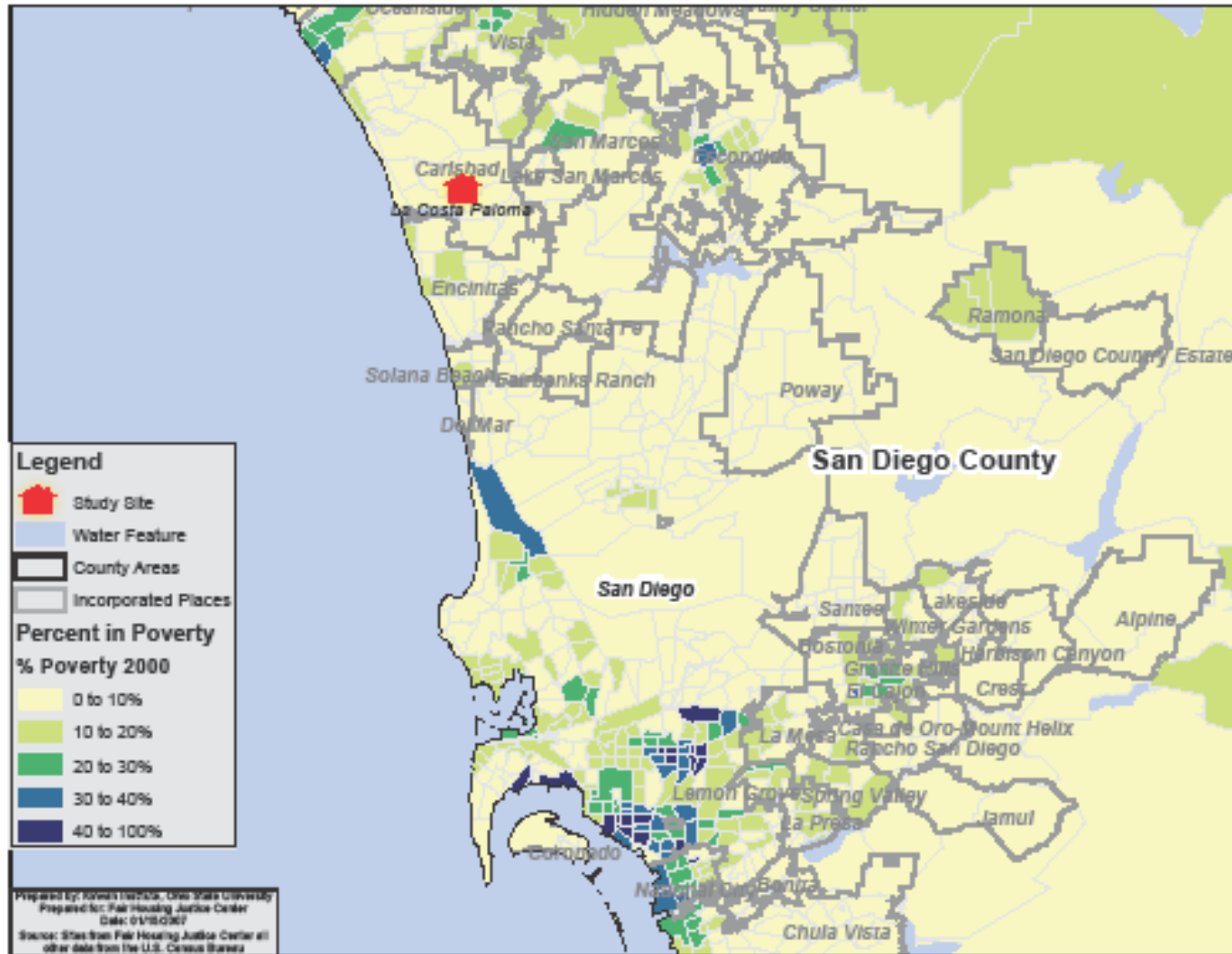
*includes land

MANAGEMENT AND MARKETING

CHW provides on-site rental management services at La Costa Paloma. CHW offers an after-school program for tenants' children and financial fitness and homebuyer workshops for tenants. CHW implemented a county-wide marketing plan prior to the initial rent-up that included placing ads in newspapers serving a wide variety of readers. CHW distributed information to county social service agencies, at community meetings and local events, and to the ten largest employers in Carlsbad.



INDIVIDUALS IN POVERTY (2000) SAN DIEGO, CA





LA COSTA PALOMA APARTMENTS CARLSBAD, CA

Resident Demographics					
At Site (2005):		In Census Tract (2000):		In Carlsbad (2000):	
47% White		88% White		87% White	
13% Black		2% Black		1% Black	
7% Asian		6% Asian		4% Asian	
25% Hispanic		7% Hispanic		12% Hispanic	
8% Other					
Individual Poverty Rates					
In Census Tract		In Carlsbad			
1990	2000	1990	2000		
4.0%	3.3%	6.8%	5.9%		

Type #2: Opportunity to Acquire Land

Waggoner Grove

Blacklick, OH (Opened in 2002)

Interview: Michelle Norris, National Church Residences



DEVELOPMENT DESCRIPTION

Waggoner Grove is a 176-unit mixed-income rental development that includes 50 single family homes and 126 town homes in Blacklick, OH, a suburb of Columbus. Approximately 40% of the units are site-based Section 8, 30% are tax credit units at <60% AMI and 30% are market-rate units. Waggoner Grove was built and is operated by nonprofit Columbus-based developer, National Church Residences (NCR). Two affordable senior apartment buildings with 125 units were developed by NCR adjacent to Waggoner Grove. The primarily residential neighborhood has an 8% poverty rate and is in a new growth area east of Columbus near the beltway. Site amenities include a community building with a business center and playground.



Waggoner Grove (Columbus, OH)

DEVELOPER

National Church Residences (NCR) is a Columbus-based nonprofit housing developer with 45 years of experience in the field. NCR has developed 17,000 units in 27 states. Historically, NCR produced mostly senior (HUD 202) housing, but since 2000, NCR has been expanding its portfolio to include multi-family housing.

UNITS AND INCOME MIX

67 Units Site-Based Section 8

55 Units at 60% AMI

54 Units Market-Rate

176 Total

126 units are town homes and 50 units are single family homes, including three- and four-bedroom units

FINANCE

- 9% LIHTC
- State HOME Funds
- City HOME Funds
- City Bridge Financing
- Tax Incremental Financing (TIF)
- Federal Home Loan Bank Loan

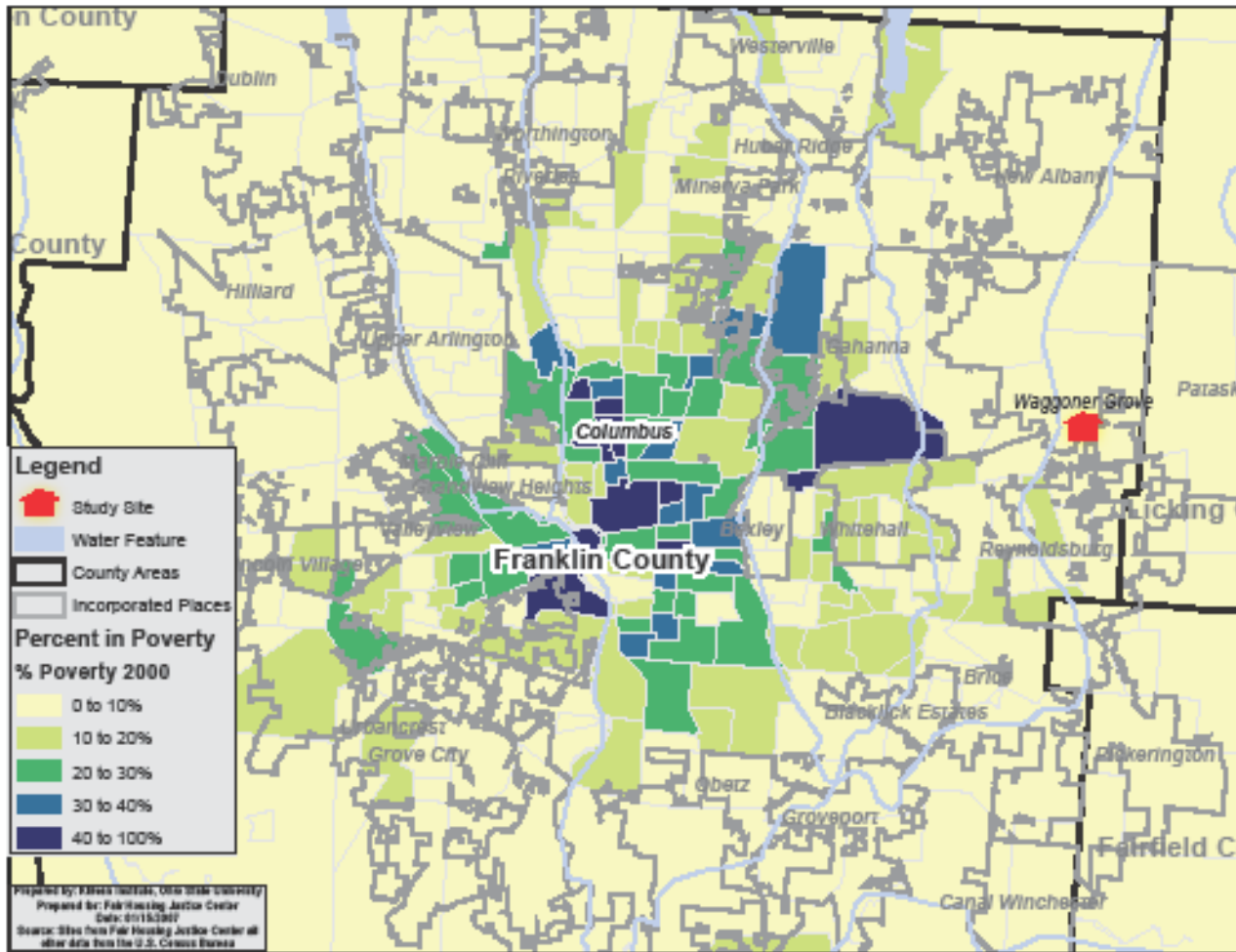
MANAGEMENT AND MARKETING

NCR provides on-site rental management services.

NCR occupied the site-based Section 8 units by accepting tenants from the City of Columbus Housing Authority (CHA) waiting list. NCR then marketed the tax credit and market-rate units to the general public.



INDIVIDUALS IN POVERTY (2000) COLUMBUS, OH





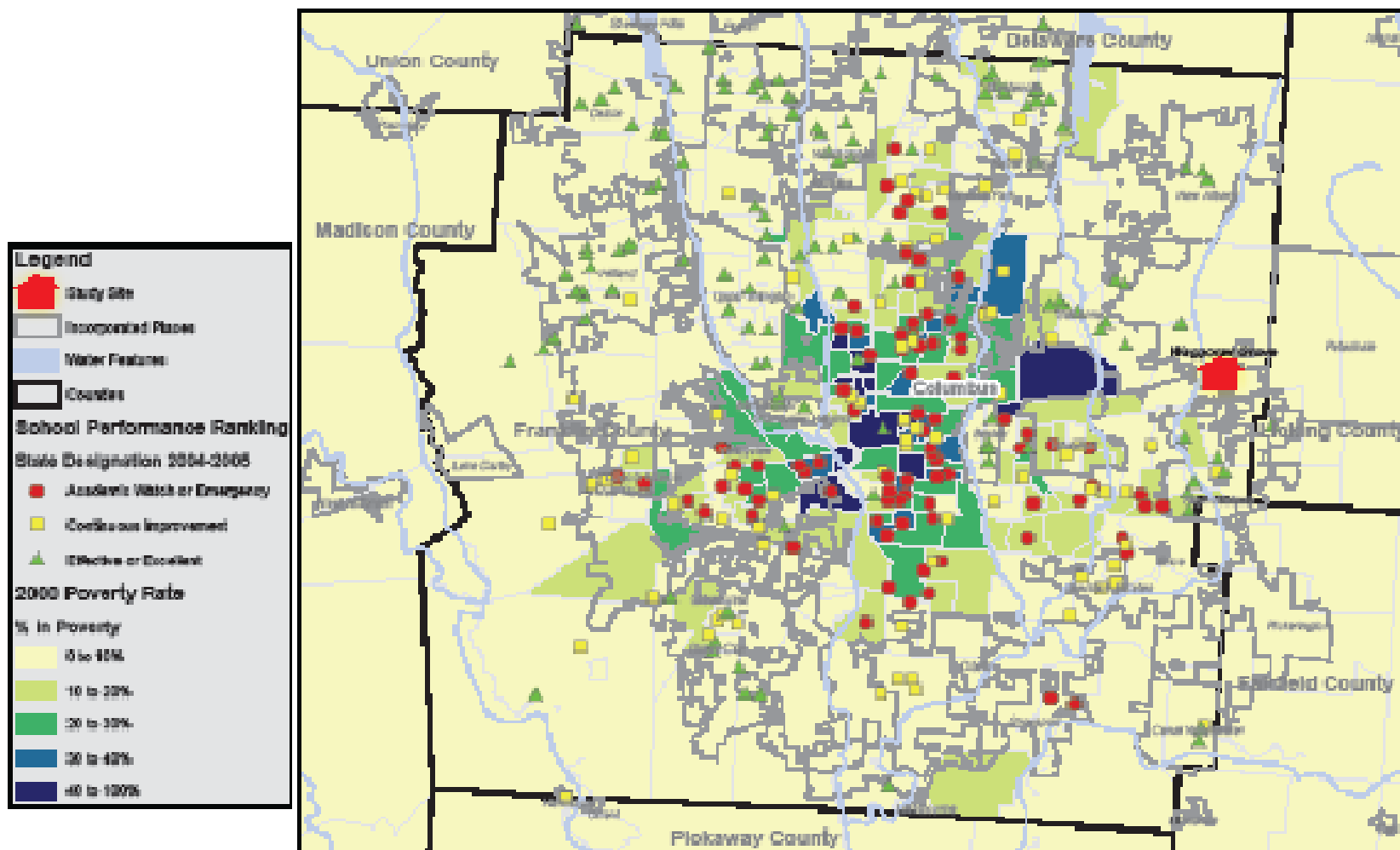
WAGGONER GROVE BLACKLICK, OH

Resident Demographics			
At Site (2006):	In Census Tract (2000):	In Franklin County (2000):*	
13% White	78% White	76% White	
85% Black	17% Black	18% Black	
2% Unknown	2% Asian	3% Asian	
	2% Hispanic	2% Hispanic	
Individual Poverty Rates			
In Census Tract		In Franklin County*	
1990	2000	1990	2000
1.7%	8.2%	13%	11.6%

* Franklin County demographic and poverty information is displayed here. There is no Census data available for Blacklick, OH since it is an unincorporated area.



SCHOOL PERFORMANCE (2004-05) AND INDIVIDUALS IN POVERTY (2000) COLUMBUS, OH



Type #3: Community Strategy

Greenbrier Heights

Woodinville, WA (Opened in 2004)

Interviews: Valerie Kendall, Downtown Action to Save Housing (DASH)
Arthur Sullivan, A Regional Coalition for Housing (ARCH)



DEVELOPMENT DESCRIPTION

Greenbrier Heights is a 120-unit mixed tenure and mixed-income development in Woodinville, WA, a suburb of Seattle. The site has a combination of rental units (40%) and homeownership units (60%) with three affordable income tiers and market-rate units. Greenbrier Heights was developed through a partnership between DASH, a nonprofit developer, and CamWest, a for-profit developer. Woodinville is a newly incorporated city (1990) with a 4% poverty rate. A city park with a community center is located in the middle of the site.



Greenbrier Heights (Woodinville, WA)

DEVELOPERS

DASH is a nonprofit housing developer active in east King County outside of the city of Seattle. DASH has rehabbed or newly constructed nearly 1000 units.

CamWest is a for-profit developer in east King County that primarily develops single family market-rate housing.

Shelter Resources is a regional for-profit developer of affordable senior housing. SR developed an affordable 50-unit senior rental building at the Greenbrier site.

UNITS AND INCOME MIX

For rental units:

- 25 Units at 30% AMI
- 25 Units at 50% AMI

50 Total

For homeownership units:

- 20 Units at 80-90% AMI
- 50 Units Market-Rate

70 Total

FINANCE

Rental Housing (Family and Senior Combined)

\$300,000	ARCH (regional housing trust fund)
\$120,000	City of Woodinville
\$446,000	King County HOME
\$1,051,372	King County CDBG
\$1,100,000	State of WA Housing Trust Fund
\$4,690,000	9% LIHTC

\$7,707,372 Subtotal *

* Includes government sources only. Private bank loan also provided toward total financing sources.

Ownership Housing

- City fee waivers
- County loan for land purchase

MANAGEMENT AND MARKETING

Quantum Management Services, a Washington-based for-profit real estate firm, provides on-site rental management.

The apartments and affordable ownership homes were marketed through online and newspaper advertisements, particularly in east King County and the Woodinville area. Also, CamWest marketed the homeownership units through its company website and existing marketing network.



GREENBRIER HEIGHTS WOODINVILLE, WA

Resident Demographics			
At Site (2006): 80%+ White	In Census Tract (2000): 88% White 7% Asian 3% Hispanic	In Woodinville (2000): 84% White 1% Black 7% Asian 7% Hispanic	
Individual Poverty Rates			
In Census Tract		In Woodinville	
1990	2000	1990	2000
4.9%	1.9%	8.0%	4.4%

Type #4: Fair Housing Remedy

Lindsey Terrace Apartments *Jacksonville, FL (Opened in 2001)*

Interviews: Ronnie Ferguson and Ellen Ramsey, Jacksonville Housing Authority
Stephen Frick, Vestcor Development Corporation
Joyce Prince, WRH Management



DEVELOPMENT DESCRIPTION

Lindsey Terrace Apartments is a 336-unit rental complex with a mix of public housing units, tax credit units, and a small number of just-below market-rate units. Lindsey Terrace was developed by Vestcor, a for-profit developer, in conjunction with the Jacksonville Housing Authority (JHA) as part of the settlement of a fair housing lawsuit brought against JHA and the City of Jacksonville by the United States. The complex is located in a neighborhood in southern Duval County with a 9% poverty rate. There is a clubhouse with a library, computer room, and swimming pool. The neighborhood is an area of high growth, with new retail and residential development, as well as longstanding single family home subdivisions.



Lindsey Terrace (Jacksonville, FL)

DEVELOPERS

Vestcor develops market-rate and affordable (tax credit) multi-family communities in Florida and Texas.

Jacksonville Housing Authority (JHA) is the public housing authority for Duval County, which includes the City of Jacksonville. JHA manages 2,300 public housing units and administers 5,500 Section 8 vouchers.

UNITS AND INCOME MIX

84 Units Public Housing *

236 Units at 60% AMI

16 Units Just-Below Market-Rate (bond units)

336 Total

* units with 40-year master lease

FINANCE

\$14,500,000 Duval County Tax-Exempt Bond

\$6,500,000 4% LIHTC

\$1,500,000 SAIL Loan*

\$1,500,000 Jacksonville City 0% Interest Loan

\$24,000,000 Total

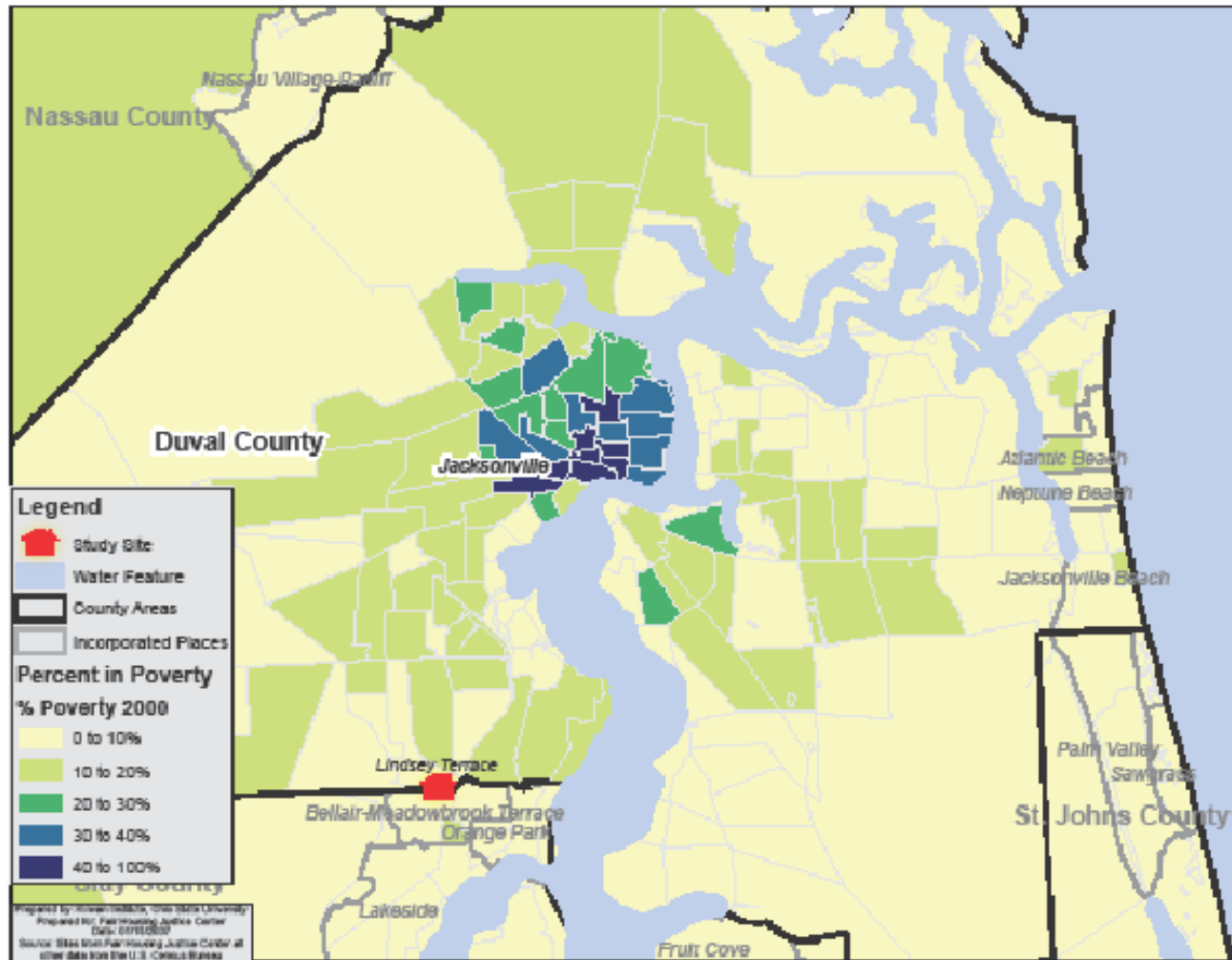
*FL Housing Finance Corporation State Apartment Incentive Loan

MANAGEMENT AND MARKETING

WRH Management has provided on-site rental management services since the complex opened. Public housing units are rented from a centralized waiting list maintained by JHA. WRH markets the remaining units by advertising on online and distributing flyers in the local community.



INDIVIDUALS IN POVERTY (2000) JACKSONVILLE, FL





LINDSEY TERRACE APARTMENTS JACKSONVILLE, FL

Resident Demographics					
At Site (2006):*		In Census Tract (2000):		In Jacksonville (2000):	
35% White		69% White		65% White	
45% Black		20% Black		29% Black	
20% Hispanic		5% Asian		3% Asian	
* Approximate		6% Hispanic		4% Hispanic	
Individual Poverty Rates					
In Census Tract		In Jacksonville			
1990	2000	1990	2000		
5.9%	9.0%	13.0%	12.2%		



Mixed-Income Housing as a Fair Housing Remedy

- 18 fair housing cases featured in litigation matrix
- Defendants include HUD, housing authorities, state and local governments
- Remedies in both court orders and settlement agreements
- Types of claims:
 - Racially segregated public housing
 - Public housing demolition, renovation, construction plans
 - Local government opposition to affordable housing
 - Discriminatory application of building codes



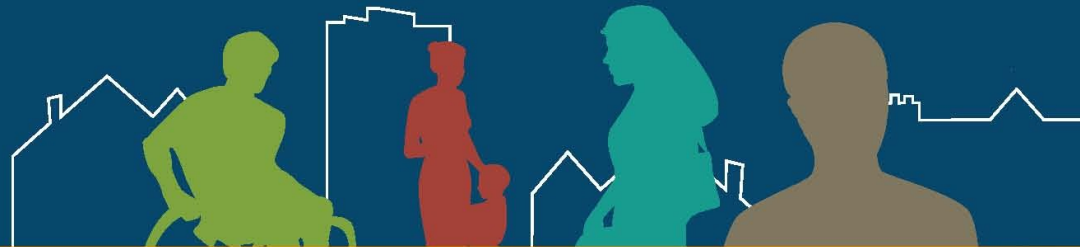
Mixed-Income Housing as a Fair Housing Remedy

- 7 cases completed with 11 pending as of 2007
- Remedies created:
 - 2400+ scattered-site public housing units
 - 800 scattered-site affordable rental and homeownership units
 - 20 sites with 2000+ mixed-income rental and homeownership units



Characteristics Contributing to Success

- Conscious choice to create a mixed-income housing opportunity in a low poverty area
- Combinations of adaptable funding sources used
- Zoning and site acquisition opportunities
- Local and state government support
- Site design
- Affirmative marketing plans



**To learn more about
the CHOICE Initiative
and download the report,
visit our website at:
www.fairhousingjustice.org**