



FURMAN CENTER  
FOR REAL ESTATE & URBAN POLICY  
NEW YORK UNIVERSITY  
SCHOOL OF LAW • WAGNER SCHOOL OF PUBLIC SERVICE



NYU Wagner

Robert F. Wagner Graduate School of Public Service

# Rental Housing Policy in the United States: Balancing Opportunity and Revitalization Goals

Ingrid Gould Ellen

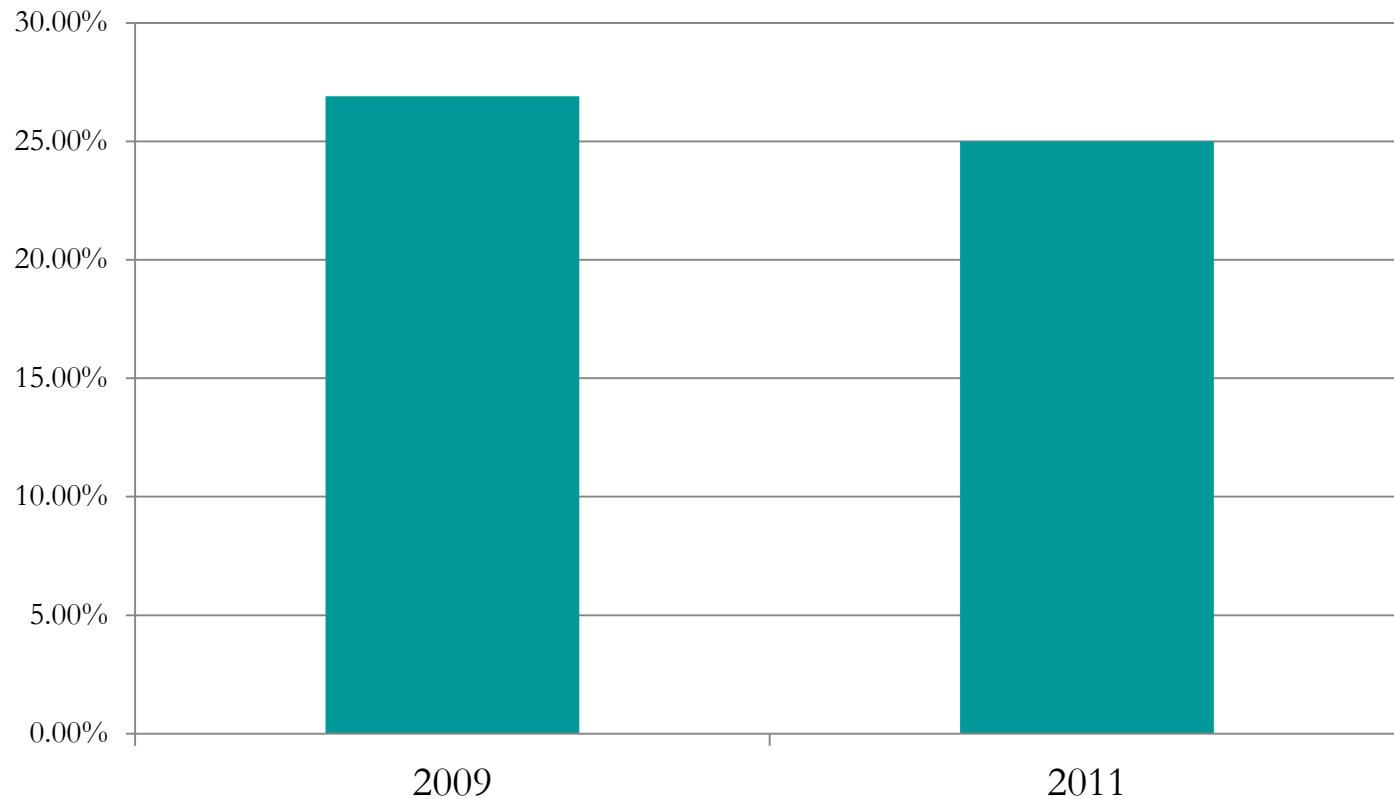
Wagner School and Furman Center, NYU

November 28, 2012



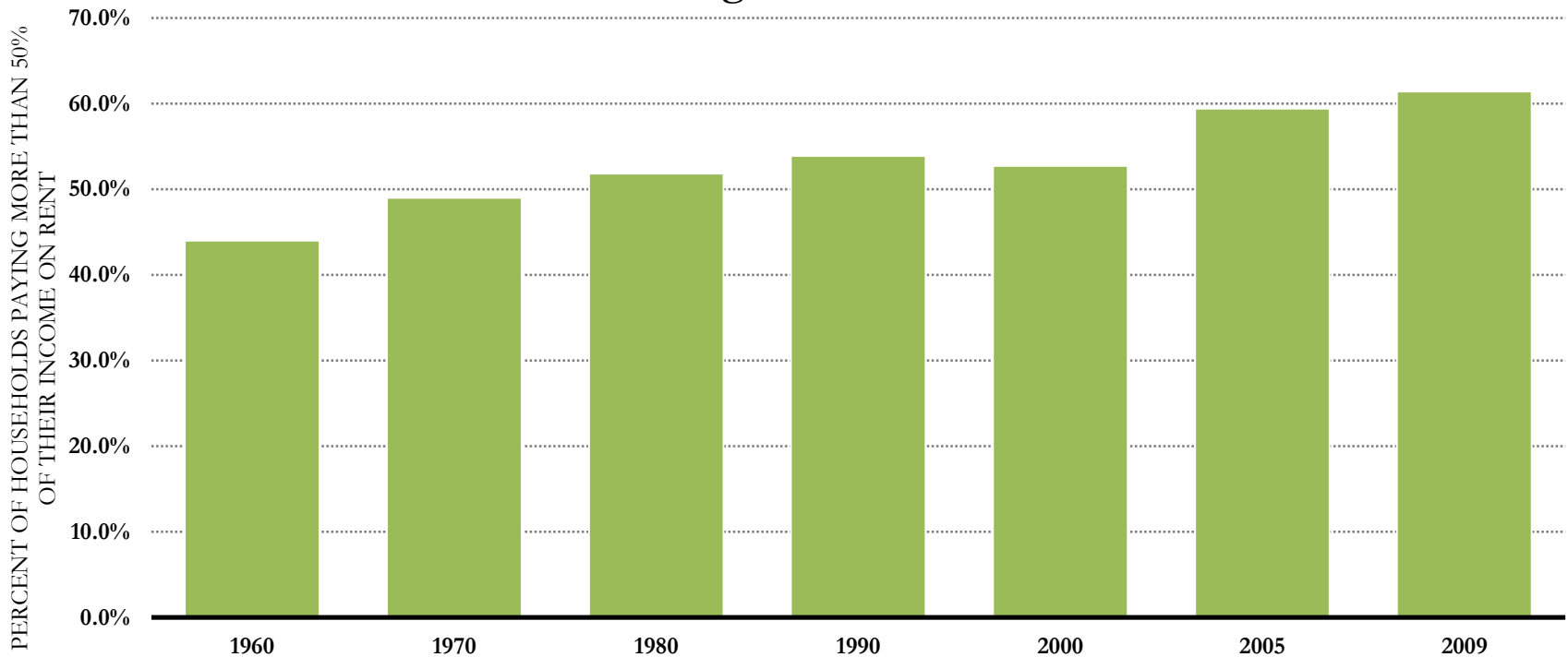
# **LIMITED SUPPLY; GROWING NEEDS**

# One in Four Low-Income Rental Households Receive Housing Assistance



# Needs of Low Income Renters are Growing

**Share of Severely Rent-Burdened Low-Income Households Up 9 Percentage Points since 2000**



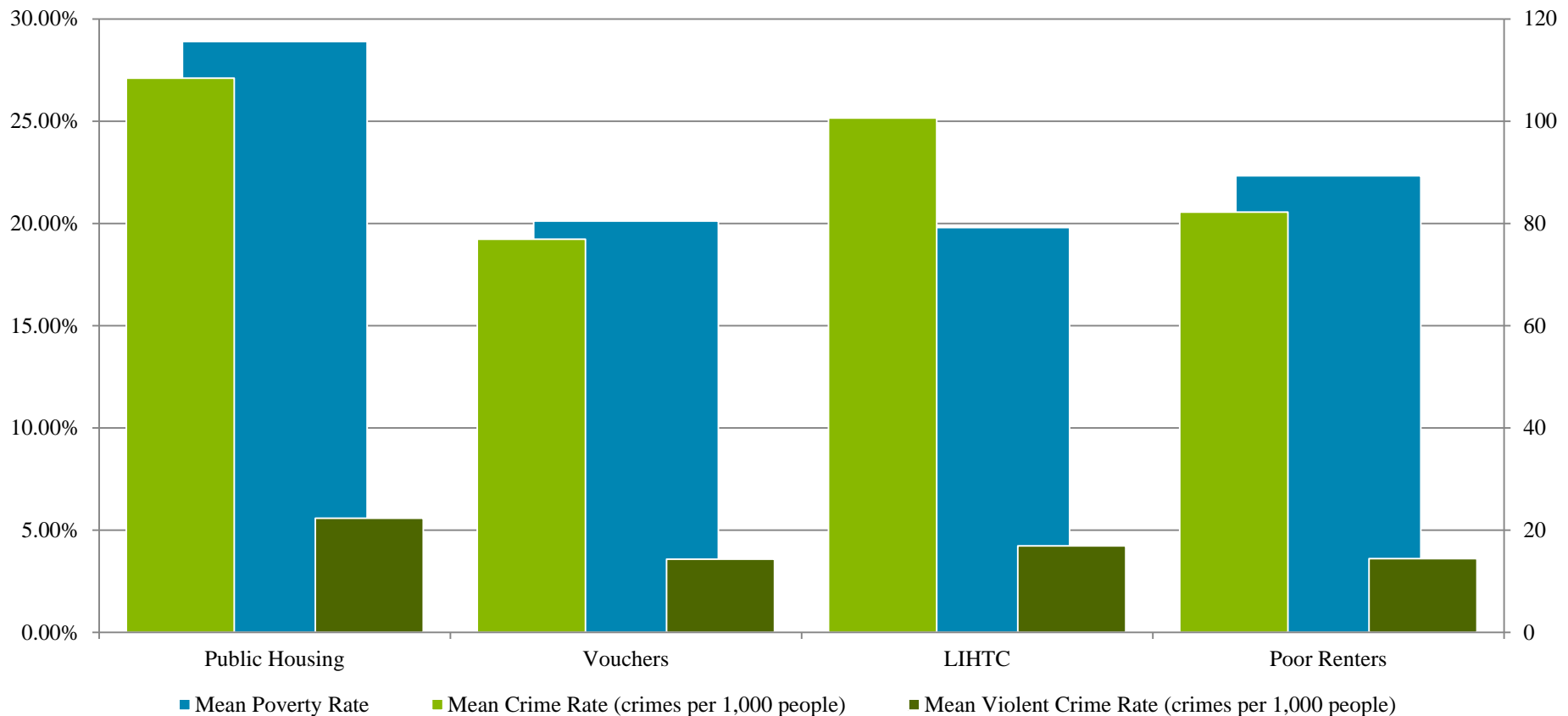
Notes: Rents include tenant-paid utilities. Renters with zero or negative income are assumed to be severely burdened, while renters not paying cash rent are assumed to be unburdened.

Source: Joint Center for Housing Studies of Harvard University (analysis of American Community Survey Data)



# **NEIGHBORHOOD ACCESS**

# Mean Poverty and Crime Rates of Neighborhoods Lived in by Renters in 2000, by Type of Renter



Source: HUD Picture of Subsidized Households, Neighborhood Change Database, and Michael Lens (2010) for mean neighborhood crime rates. Crime data covers 91 cities.

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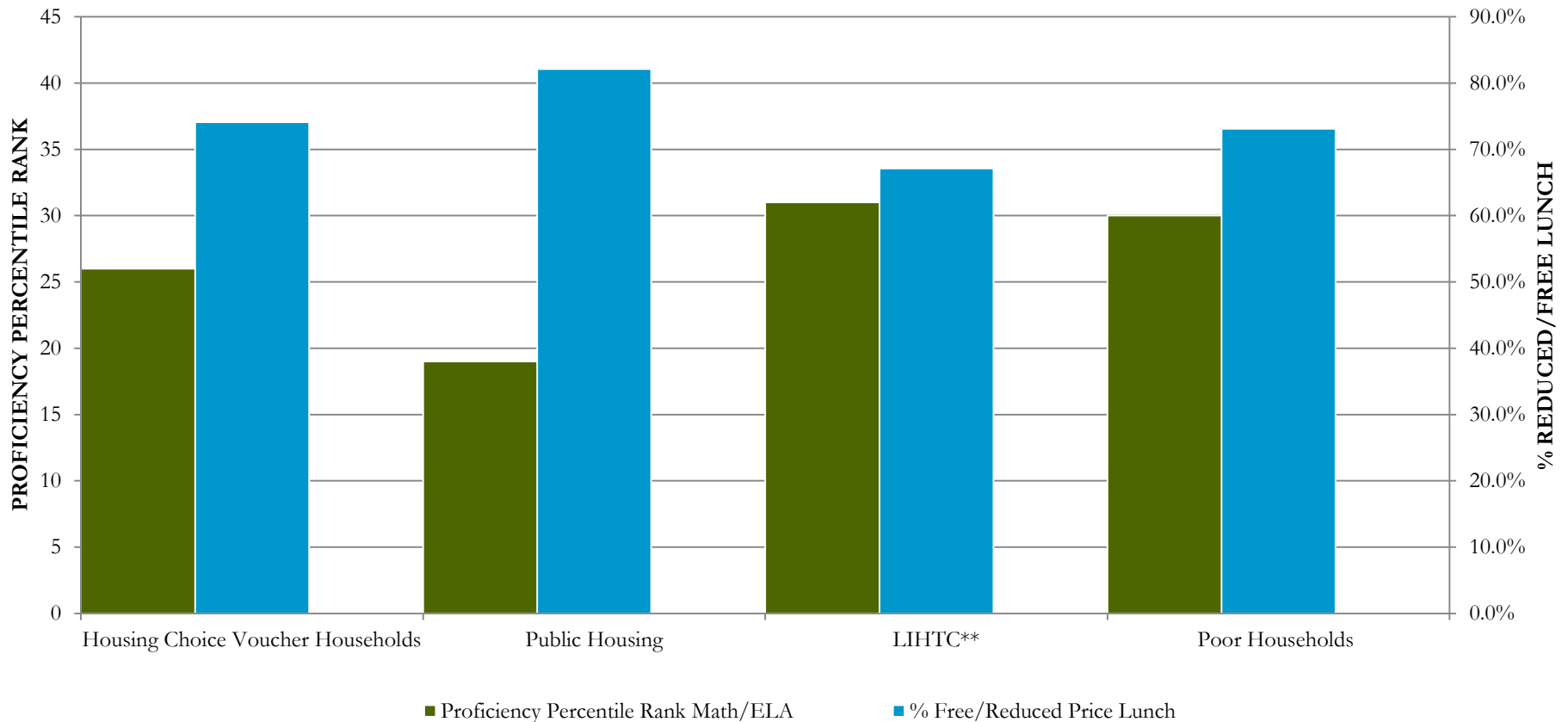
# SCHOOL ACCESS

# *Do Federally Assisted Households Have Access to High-Performing Public Schools?*

- First national analysis of the characteristics of the elementary schools nearest to families receiving various forms of housing assistance
- Report prepared for PRRAC
- Part of larger project supported by HUD and MacArthur Foundation



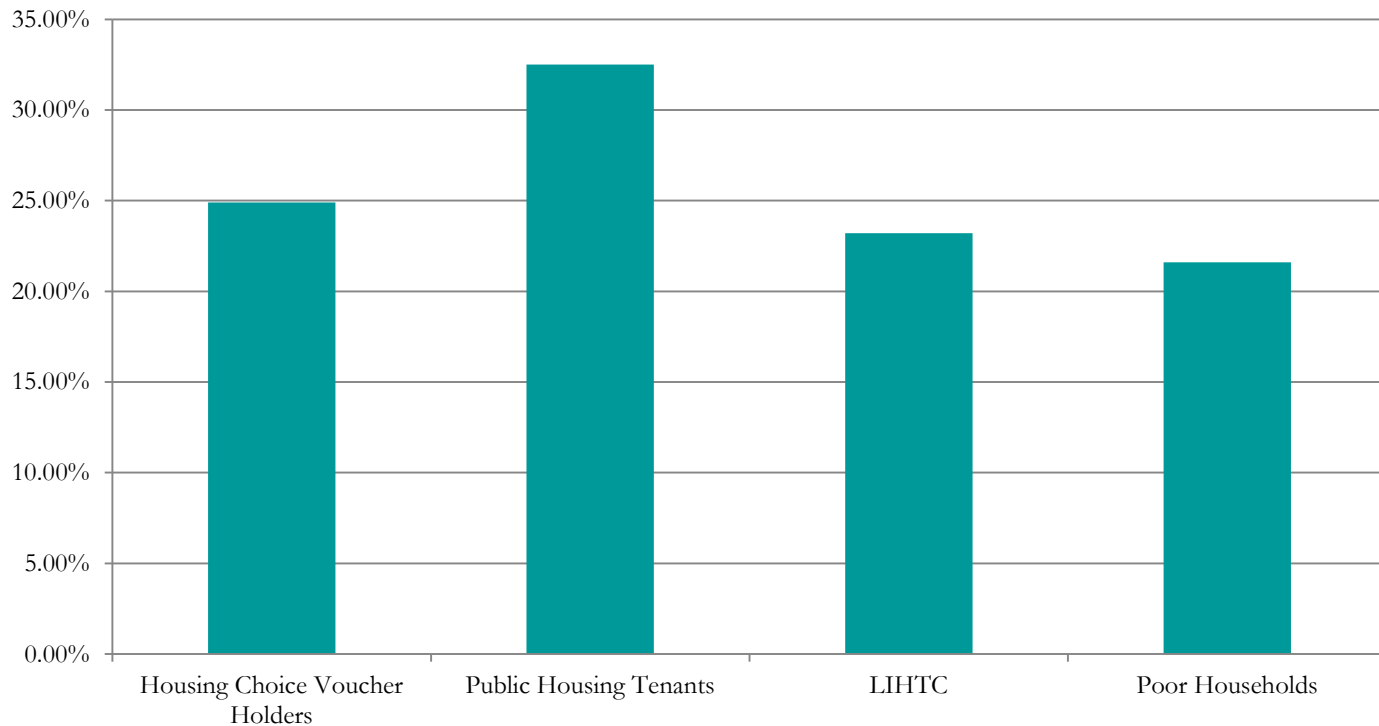
# Median Characteristics of Schools Nearest to Assisted Households and Other Households with Children



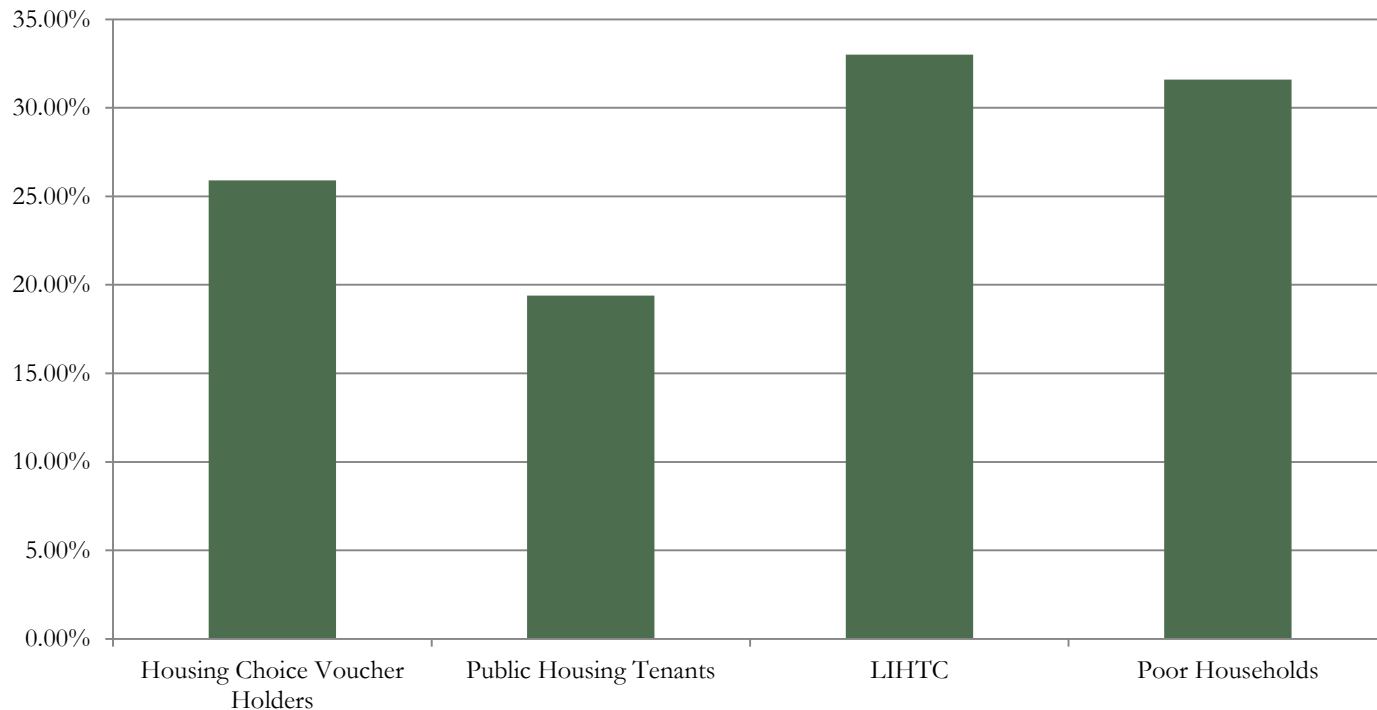
\*\*LIHTC: To proxy for units with children, all units with fewer than 2 bedrooms are removed.

Source: Furman Center 2012, "Do Federally Assisted Households Have Access to High Performing Public Schools?" Prepared for PRRAC.

# Share of Households with Children Near to School Ranked in Bottom 10<sup>th</sup> in State



# Share of Households with Children Near to School Ranked in Top Half in State



# Mixed Findings

- LIHTC tenants in family units are more likely to live in neighborhoods with high-performing schools than poor families with children
- LIHTC tenants in family units are more likely to live in neighborhoods with very lowest ranked schools than poor families with children

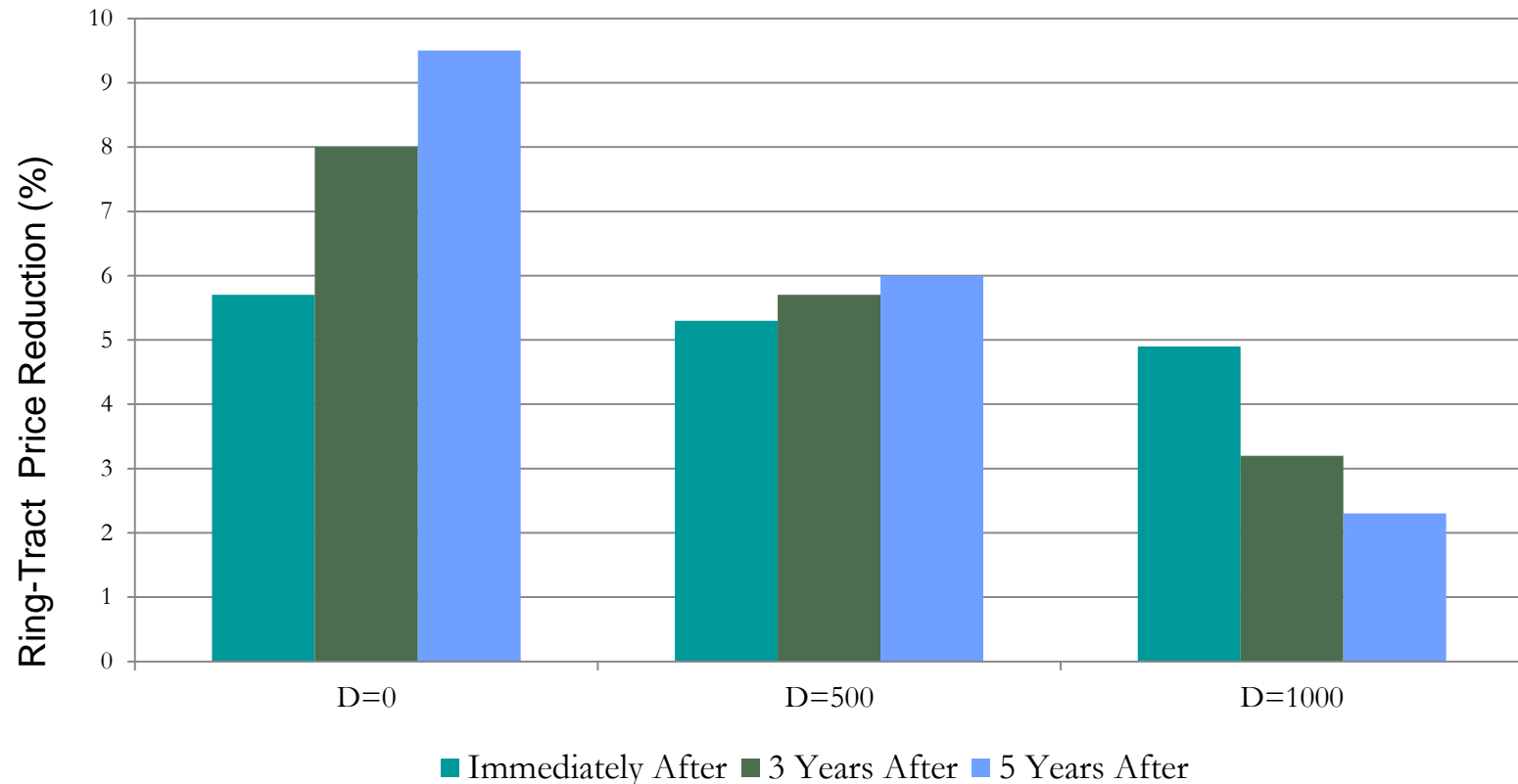


# **NEIGHBORHOOD REVITALIZATION**

# Research on Neighborhood Impacts of LIHTC Investments in NYC

- Multiple Furman Center studies of the impacts of the substantial investments NYC made in affordable housing during late 1980s-early 2000s.
- Focus on impacts on the value of immediately surrounding properties
- Supported by MacArthur Foundation

# Impact of an Average-Sized LIHTC Development on Property Values in NYC



Source: Ellen and Voicu, 2007

# Is the New York City Story Unique?

- NYC = Unusual Case
  - Other research is more mixed
  - New York City made these investments as part of a concerted plan to improve blighted, depopulated neighborhoods
  - Scale of investment was massive
  - Some effort to mix lower-income housing with moderate- and middle-income housing
  - City as a whole was growing during the same time period
- But
  - Results suggest the housing itself improved neighborhoods – not other investments
  - The impacts appear to be somewhat larger in lower density areas



# Outstanding Research/Policy Questions

## ■ Neighborhood Access

- ❑ Are certain groups of assisted tenants (e.g., minorities) more likely to live in distressed neighborhoods with high crime and low-performing schools?
- ❑ What are costs of furthering access to opportunity? How much more does it cost to develop housing in high-opportunity neighborhoods?
- ❑ How can we identify and target soon-to-be gentrifying neighborhoods?
- ❑ What more can states and the federal government do to encourage local jurisdictions to facilitate the development of affordable rental housing?

## ■ Neighborhood Revitalization

- ❑ Under what circumstances do investments in subsidized housing help to revitalize neighborhoods?
- ❑ What other conditions or investments must be present?