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

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Erica Blake
Fred Freiberg

made possible with support from the Ford Foundation
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
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

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

% of Population Below Poverty Level

- African Americans
- Latinos
- Whites

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

<table>
<thead>
<tr>
<th>Poverty Concentration in Census Tracts</th>
<th>Low Poverty 10% or less</th>
<th>Medium Poverty 10-20%</th>
<th>High Poverty 20-30%</th>
<th>Extreme Poverty 30% or More</th>
</tr>
</thead>
<tbody>
<tr>
<td>% of Population Below Poverty Level</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>100%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>80%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>60%</td>
<td></td>
<td></td>
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<tr>
<td>40%</td>
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<tr>
<td>20%</td>
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<tr>
<td>10%</td>
<td></td>
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</tbody>
</table>

African Americans Below Poverty Level
Latinos Below Poverty Level
Whites Below Poverty Level

Dallas Metropolitan Area
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.

**Finance**

- $20 Million State of CATA Tax-Exempt Bonds
- $2 Million City Low-Interest Loan
- $2 Million Morrow Development Contribution*
- $11 Million 4% LIHTC
- $35 Million Total

*Includes land

**Units and Income Mix**

<table>
<thead>
<tr>
<th>Units</th>
<th>Income Mix</th>
</tr>
</thead>
<tbody>
<tr>
<td>50</td>
<td>50% AMI</td>
</tr>
<tr>
<td>130</td>
<td>60% AMI</td>
</tr>
<tr>
<td><strong>180</strong></td>
<td><strong>Total</strong></td>
</tr>
</tbody>
</table>

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

**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.
# La Costa Paloma Apartments Carlsbad, CA

## Resident Demographics

<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>47% White</td>
<td>88% White</td>
<td>87% White</td>
</tr>
<tr>
<td>13% Black</td>
<td>2% Black</td>
<td>1% Black</td>
</tr>
<tr>
<td>7% Asian</td>
<td>6% Asian</td>
<td>4% Asian</td>
</tr>
<tr>
<td>25% Hispanic</td>
<td>7% Hispanic</td>
<td>12% Hispanic</td>
</tr>
<tr>
<td>8% Other</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

## Individual Poverty Rates

<table>
<thead>
<tr>
<th>In Census Tract</th>
<th>In Carlsbad</th>
</tr>
</thead>
<tbody>
<tr>
<td>1990</td>
<td>2000</td>
</tr>
<tr>
<td>4.0%</td>
<td>6.8%</td>
</tr>
<tr>
<td></td>
<td>5.9%</td>
</tr>
<tr>
<td>2000</td>
<td></td>
</tr>
</tbody>
</table>
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

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.

126 units are town homes and 50 units are single family homes, including three- and four-bedroom units.
INDIVIDUALS IN POVERTY (2000) COLUMBUS, OH

Legend
- Study Site
- Water Feature
- County Areas
- Incorporated Places

Percent in Poverty
% Poverty 2000
- 0 to 10%
- 10 to 20%
- 20 to 30%
- 30 to 40%
- 40 to 100%

Prepared by: [Preparer's Name], [Institution]
Prepared for: Fair Housing Justice Center
Date: [Date]
Source: Data from Fair Housing Justice Center and other data from the U.S. Census Bureau.
**WAGGONER GROVE BLACKLICK, OH**

<table>
<thead>
<tr>
<th>Resident Demographics</th>
<th>In Census Tract (2000):</th>
<th>In Franklin County (2000):*</th>
</tr>
</thead>
<tbody>
<tr>
<td>13% White</td>
<td>78% White</td>
<td>76% White</td>
</tr>
<tr>
<td>85% Black</td>
<td>17% Black</td>
<td>18% Black</td>
</tr>
<tr>
<td>2% Unknown</td>
<td>2% Asian</td>
<td>3% Asian</td>
</tr>
<tr>
<td></td>
<td>2% Hispanic</td>
<td>2% Hispanic</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Individual Poverty Rates</th>
<th>In Census Tract</th>
<th>In Franklin County*</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1.7%</td>
<td>8.2%</td>
</tr>
</tbody>
</table>

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

Legend:
- Study Sites
- Incorporated Places
- Water Features
- Counties

School Performance Ranking:
- State Designation 2004-2005
  - Assistant Watch or Emergency
  - Continuous Improvement
  - Effective or Excellent

2000 Poverty Rate:
- % in Poverty:
  - 0 to 10%
  - 11 to 20%
  - 21 to 30%
  - 31 to 40%
  - 41 to 50%
  - 51 to 60%
  - 61 to 70%
  - 71 to 80%
  - 81 to 90%
  - 91 to 100%

Map showing the distribution of schools and poverty rates in 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)

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**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.

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

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

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.
INDIVIDUALS IN POVERTY (2000) SEATTLE, WA

Legend:
- Red: Study Site
- Blue: Water Feature
- Light Blue: County Areas
- Green: Incorporated Places

Percent in Poverty
% Poverty 2000:
- 0 to 10%
- 10 to 20%
- 20 to 30%
- 30 to 40%
- 40 to 100%

Prepared by: Italien Institute, Ohio State University
Prepared for: Fair Housing Justice Center
Date: 05/2000
Source: Data from Fair Housing Justice Center and other data from the U.S. Census Bureau.
**Greenbrier Heights Woodinville, WA**

<table>
<thead>
<tr>
<th></th>
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<tbody>
<tr>
<td>At Site (2006): 80%+ White</td>
<td>88% White</td>
<td>84% White</td>
</tr>
<tr>
<td></td>
<td>7% Asian</td>
<td>1% Black</td>
</tr>
<tr>
<td></td>
<td>3% Hispanic</td>
<td>7% Asian</td>
</tr>
<tr>
<td></td>
<td></td>
<td>7% Hispanic</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Individual Poverty Rates</th>
<th>In Census Tract</th>
<th>In Woodinville</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.9%</td>
<td>1.9%</td>
<td>8.0%</td>
</tr>
</tbody>
</table>
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

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**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.

**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

**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

**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.
### Lindsey Terrace Apartments Jacksonville, FL

**Resident Demographics**

<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>35% White</td>
<td>69% White</td>
<td>65% White</td>
</tr>
<tr>
<td>45% Black</td>
<td>20% Black</td>
<td>29% Black</td>
</tr>
<tr>
<td>20% Hispanic</td>
<td>5% Asian</td>
<td>3% Asian</td>
</tr>
<tr>
<td>* Approximate</td>
<td>6% Hispanic</td>
<td>4% Hispanic</td>
</tr>
</tbody>
</table>

**Individual Poverty Rates**

<table>
<thead>
<tr>
<th>In Census Tract</th>
<th>In Jacksonvillle</th>
</tr>
</thead>
<tbody>
<tr>
<td>1990</td>
<td>1990</td>
</tr>
<tr>
<td>5.9%</td>
<td>13.0%</td>
</tr>
<tr>
<td>2000</td>
<td>2000</td>
</tr>
<tr>
<td>9.0%</td>
<td>12.2%</td>
</tr>
</tbody>
</table>
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