

CRITERIA FOR SUCCESSFUL MIXED-INCOME NEIGHBORHOODS

GSAPP HOUSING LAB
SUMMER 2020

WHAT FACTORS MAKE MIXED-INCOME NEIGHBORHOODS "TICK"?

JULY 29, 2020
DRAFT

WHAT ELEMENTS MAKE UP A MIXED-INCOME NEIGHBORHOOD?

What design and infrastructure factors improve an integrated community?

Gentrification has become a commonplace term in discussions about the urban built environment. While its concrete effects are felt by displaced communities, its remedies seem elusive. In this brief, the Housing Lab aims at an alternative approach to understand how neighborhoods can sustain a mixture of incomes for a prolonged period, instead of being transition places that just price out low-income residents. To achieve this, local communities need to benefit from zoning, design, infrastructure, and social services in order to integrate into urban fabrics and labor forces – that is, to be an integral part of the city they live in.

TABLE OF CONTENTS

INTRODUCTION

WHAT ARE MIXED-INCOME NEIGHBORHOODS

LAND USE AND ZONING

INCOME MIX

DESIGN

NEIGHBORHOOD INFRASTRUCTURE AND AMENITIES

SOCIAL SERVICE PROVISION / MANAGEMENT

MIXED-INCOME NEIGHBORHOODS: WHAT HAVE WE LEARNED

ACKNOWLEDGEMENTS

I. INTRODUCTION

In recent years, policymakers and planners have touted the benefits of mixed-income neighborhoods the world over. According to proponents, mixed-income neighborhoods encourage greater integration among different income groups, reduce spatial segregation, allow lower-income households to better access community services and education, improve job accessibility, and allow children of poorer households to reside in safer environments, among other benefits.¹ Although encouraging mixed-income neighborhoods has been a cornerstone of many local, state, and federal housing policy initiatives, minimal research to date has examined what factors make mixed-income neighborhoods thrive. In particular, we sought to examine what makes mixed-income areas “tick,” by looking at areas that have remained stably mixed-income and affordable over time, despite accelerating gentrification pressures in other areas of the city.

While we draw examples from several U.S. cities, we will be focusing our study in New York City neighborhoods. As the Lab has discussed elsewhere,² New York City is an outlier in terms of its robust rental market for limited-equity and subsidized housing. Mixed-income neighborhoods, as a tool to combat urban poverty, may be considered as a counter-intuitive tool since “affordable housing in desirable locations, in other words, goes against the basic principles of land economics in the U.S.”³ In consequence, there is ample space to explore alternative policy solutions that take into consideration the particular characteristics of housing markets in different urban areas, as well as divergent approaches to interventions to create and strengthen mixed-income communities.

In this brief, we first provide a working definition of mixed-income neighborhoods. Next, we identify best practices in mixed-income neighborhoods by looking at five different criteria: land use and zoning, income mix, design, infrastructure, and social service provision/management.

Based on a review of these elements, we outline best practices in mixed-income neighborhoods, demonstrating how mixed-income neighborhoods can encourage greater social integration, reduce spatial segregation, and incorporate design solutions that incite a greater sense of ownership—and ultimately, investment—in the neighborhood. From this review, our principal findings are that:

- **Implementing incentive-based land use policies (e.g. inclusionary zoning) can help to better encourage greater income integration at the building and neighborhood level;**
- **Targeting mixed-use developments in real estate markets with strong demand for market-rate housing helps to ensure their their financial viability;**
- **Developing a unique architectural identity can help to incite a sense of ownership and investment in the neighborhood;**
- **Encouraging greater cross-class or cross-racial integration through on-site services often has had limited results, and different alternatives should be explored to promote social integration.**

Although we argue that these factors have helped to create thriving mixed-income neighborhoods, we ultimately conclude that mixed-income neighborhoods are composed of multiple moving parts that collectively determine how “successful” mixed-income neighborhoods are at remaining affordable and socially integrated over time. We argue that these multiple moving parts mean that defining what makes a mixed-income neighborhood “tick” is highly varied and defies neat policy prescriptions.

¹ “Effects from Living in Mixed-Income Communities for Low-Income Families,” Urban Institute, November 2010, <https://www.urban.org/sites/default/files/publication/27116/412292-Effects-from-Living-in-Mixed-Income-Communities-for-Low-Income-Families.PDF>.

² HDFC White Paper.

³ Emily Talen, “Prospects for walkable, mixed-income neighborhoods: insights from U.S. developers,” *Journal of Housing and the Built Environment* 28 (2013), 80.

II. WHAT ARE MIXED-INCOME NEIGHBORHOODS?

Although the concept of mixed-income neighborhoods has generated substantial interest in recent years, planners and policymakers often have leveraged different definitions of what constitutes mixed-income neighborhoods. In this brief, we define mixed-income neighborhoods as those that contain a balance of different levels of subsidized and market-rate housing, owner- and renter-occupied housing units, and households with low-, moderate-, and high-incomes.⁴

Scholars have identified a host of different criteria for evaluating the relative “success” of mixed-income development projects, ranging from measuring the level of social interactions among residents of different income bands and housing tenures, interaction among mixed-income development projects with residents of the wider neighborhood, and the degree of social outcome improvement (e.g. poverty alleviation) among mixed-income residents, among other outcomes.⁵ In this brief, we consider mixed-income neighborhoods to “tick” if they have remained stably mixed-income. In other words, we measure their success if they have been able to retain a healthy mix of income levels and housing tenure types over time.

⁴ “Income Mixing Across Scales,” Urban Institute, January 2014, <https://www.urban.org/sites/default/files/publication/22226/412998-income-mixing-across-scales-rationale-trends-policies-practice-and-research-for-more-inclusive-neighborhoods-and-metropolitan-areas.pdf>.

⁵ Kleit, R. G. (2005). HOPE VI new communities: Neighborhood relationships in mixed-income housing. *Environment and Planning A*, 37(8), 1413-1441.

III. LAND USE AND ZONING

There is nothing “natural” about the current level of geographic segregation by income in cities across the United States and around the world. Rather, land use regulations are one of the many planning and development tools that have deepened these patterns. In the U.S., the dominance of single-family zoning across cities, the as-of-right process, and Euclidean zoning (zoning based on exclusive uses) have created deep geographic segregation in cities by race and income. As a result, mixed-income neighborhoods tend to be the exception rather than the rule in many cities across the U.S.

Simply “letting the markets build” with “no zoning,” however, is not the answer. Recently re-popularized by urban economists (see Glaeser and Moretti), relaxing zoning codes (or even eliminating them) relies on “trickle-down” economic theory, or the notion that increases in housing supply will lower housing costs, ultimately benefiting low-income households. As several scholars have pointed out, this theory of economic growth rests on faulty logic. If cities relax their zoning codes to allow for more development, the all-too-often result is that it ushers in a wave of luxury development and raises surrounding property values.⁶ Moreover, new developments often serve upper-tier markets, which ultimately does not serve low-income households—the supposed beneficiaries of “trickle-down” economic theory.⁷ One needs to look no further than Hudson Yards in New York, where increases in allowable residential densities alone did not magically translate into affordable housing construction.

Yet, careful zoning and land use policy can create and sustain mixed-income neighborhoods. For example, inclusionary zoning and density bonuses for affordable housing are two of many land use tools that can help to encourage greater income integration at the building or neighborhood level. Inclusionary zoning, which can be either mandatory or voluntary depending on the municipality, requires that developers taking advantage of increased densities set aside a certain percentage of newly developed units for low-income households. Density bonuses allow developers to construct at greater height or bulk (often through floor area ratio increases) in exchange for affordable housing provision. Together, inclusionary zoning and density bonuses can help encourage greater income integration, with programs that provide units at deeper affordability (i.e. units targeted to those making 30% or less of AMI) encouraging greater integration across multiple income bands. It is worth noting, however, that inclusionary zoning works best if it is implemented in both weak and strong-market neighborhoods. To date, inclusionary zoning has tended to occur in low-income, gentrifying neighborhoods, where political opposition to mixed-income developments is often less than in higher-income neighborhoods.

Apart from these programs, the process by which zoning happens also matters: local and site-based approvals in England have, surprisingly, often allowed for more mixed-use and mixed-income developments. German cities.

⁶ Freemark, Yonah. “Upzoning Chicago: Impacts of a zoning reform on property values and housing construction.” *Urban Affairs Review* 56, no. 3 (2020): 758-789.

⁷ Narefsky, Karen. “What’s In My Backyard?” *Jacobin*, August 8, 2017. <https://www.jacobinmag.com/2017/08/yimbys-housing-affordability-crisis-density>.

IV. INCOME MIX

In mixed-income developments, income mix refers to the ratio of subsidized to market-rate housing units. Although the specific ratio of subsidized to market-rate units varies according to different ownership and financial models, a mix of 20 percent subsidized units to 80 percent market-rate units is a common arrangement, as developers often can take advantage of local tax abatements and tax increment financing when at least 20 percent of units are reserved for low- to moderate-income households.⁸ In some cases, however, developers are able to take advantage of financing programs that allow them to dedicate a higher proportion of units to subsidized housing (e.g. allowing up to 50% subsidized units), raising the question of what the ideal income mix is in mixed-development projects. Scaled up to the neighborhood level, decisions surrounding ideal income mix at the project level will inform the degree of income balance at the neighborhood level.

Previous research has examined the degree to which income mix a) impacts the financial feasibility of the development, and b) how the degree of income mix impacts tenant satisfaction and market appeal.⁹ Addressing the first theme, researchers have found that mixed-income developments tend to be less viable in weak real estate markets where moderate- to middle-income households will have more housing choice, raising the need for mixed-income developments to offer additional amenities to bolster their appeal. In contrast, stronger real estate markets, particularly in areas with high demand for student housing, “warrant a more aggressive balance of incomes.”¹⁰ Mixed-income developments in stronger real estate markets, therefore, tend to be more financially viable.

Addressing the second theme, scholars have also examined the degree to which income mix impacts tenant satisfaction and helps to attract moderate- to middle-income households. For example, one study examined mixed-income developments in three cities and found that the location and the quality of the units had a stronger bearing on tenant satisfaction rather than the degree of income mixing at the project.¹¹ Likewise, in an examination of 16 mixed-income developments in Massachusetts, Ryan, Sloan, Seferi and Werby (1974) found that tenant satisfaction was unrelated income mix, but the quality of the unit and management of the unit was significantly related to tenant satisfaction.

⁸ “Mixed-Income Housing and the HOME Program,” U.S. Department of Housing and Urban Development, 2003. <https://archives.hud.gov/offices/cpd/affordablehousing/modelguides/200315.pdf>.

⁹ Schwartz, A., & Tajbakhsh, K. (1997). Mixed-income housing: Unanswered questions. Cityscape, 71-92.

¹⁰ “Mixed-Income Housing and the HOME Program,” U.S. Department of Housing and Urban Development, 2003, <https://archives.hud.gov/offices/cpd/affordablehousing/modelguides/200315.pdf>.

¹¹ Mulroy, Elizabeth. “Mixed-Income Housing in Action.” Urban Land 50, no. 5 (1991): 2-7.

V. DESIGN

Architecture also plays a critical role in shaping the relative success of a mixed-income neighborhood, as design can help create a sense of ownership and investment in the neighborhood. It is critical that mixed-income neighborhoods incorporate spaces that provide amenities for a diverse range of income bands and different social groups. For example, a neighborhood that incorporates both playgrounds for kids and facilities for senior citizens will better allow for a more economically and socially integrated neighborhood, such as Glen Oaks in Queens or Brooklyn Heights.

Apart from providing amenities and spaces tailored to different social groups, it is also critical that mixed-income neighborhoods communicate a unique or continuous visual identity, whether at the community or building level. For example, using an architectural element to emphasize continuity within buildings, such as a brick pattern, style, or general datum, will generate a sense of standardization and order. Communities with a cohesive visual identity are more likely to incite a sense of ownership and belonging among residents, translating into more investment in the neighborhood; indeed, previous studies have found that architectural appeal figures prominently into prospective market-rate renters' decisions to move into a mixed-income housing project.¹² Historical characteristics can also help unify the neighborhood's facades and generate a cohesive visual identity. Identity in relation to architectural form has been proved to increase if there is a shared residential typology with repetitive elements and a unifying style.¹³

By taking into consideration the streetscape design and the human scale, neighborhoods become integrated at the pedestrian level. It has been theorized that the human-scaled environment works with the following design principles: active plinths, maximum four to five stories, individual buildings, morphology of blocks, and green spaces.¹⁴ Design and density are two of the general architectural factors that determine the likelihood of social and income integration in a mixed-income neighborhood. From an architecture perspective, mixed-income developments should share entrances, floors, and apartment layouts, regardless of the income mix in the building, in addition to mix-use spaces and commercial areas with shared walking areas. These spaces allow for a broad cross section of social groups and ages to interact. In terms of density, mixed-income mid-rise housing tends to create a more successful income mix because they allow greater integration within the same building. Mid-rise blocks range from three to twelve stories and tend to be more favorable in cities since buildings with twelve or more stories often carry negative connotations of the tower-in-the-park building typologies of 1960s public housing projects that further concentrated poverty.¹⁵

¹² Mulroy, Elizabeth. "Mixed-Income Housing in Action." *Urban Land* 50, no. 5 (1991): 2-7.

¹³ Eysaman, Gerald K.B. "American Architectural Traditions and Identity in a Mixed Working-Class Neighborhood." *Traditional Dwellings and Settlements Review* 6, no. 1 (1994): 21-22.

¹⁴ Suurenbroek, Frank, and Gideon Spanjar. "Sensing Streetscapes: 2-year research on the physical-behavioral interrelationship aimed at informing the design of human-scaled densification in Amsterdam." ANFA (2020).

¹⁵ Chronopoulos, T. (2011). *Spatial Regulation in New York City: From Urban Renewal to Zero Tolerance*. <https://www.nytimes.com/2019/03/01/arts/design/hackney-london-public-housing.html>

VI. NEIGHBORHOOD INFRASTRUCTURE AND AMENITIES

Previous studies examining social outcomes among low-income residents of mixed-income developments have found evidence that access to housing alone does not translate into greater social mobility. Instead, mixed-income neighborhoods need to be equipped with the infrastructure (such as good transportation options) and amenities (such as childcare and job training centers) so that residents can better access jobs and opportunities in the wider metropolitan region.¹⁶

For example, one study examined how a suite of different individual, household, and neighborhood factors impacted social capital gains among low-income households that relocated from a public housing development in Boston, Massachusetts to several mixed-income neighborhoods as part of the Hope VI program.¹⁷ The author finds that neighborhood amenities including libraries, recreation facilities, parks, grocery stores, and social services were strong predictors of increased social capital, suggesting that neighborhood services play a prominent role in subsequent social outcomes. The study's author theorizes that "one explanation for why neighborhood resources (i.e., facilities and institutions) might be so important for generating and/or sustaining this dimension of social capital is that such places simply provide opportunities for social interaction among neighbors; and through direct contact social ties are built."¹⁸

Yet, the literature has not reached a complete consensus that neighborhood infrastructure will automatically translate into greater resident well-being. For example, Goetz examined self-reported well-being among low-income households that relocated from a public housing project in Duluth, Minnesota to neighborhoods with lower levels of poverty as part of the Hope VI program. The author finds that households that moved to neighborhoods with lower levels of poverty did not achieve greater economic security or better employment outcomes, although such neighborhoods were better equipped with infrastructure and amenities. Goetz hypothesizes that individual characteristics still exert a strong influence on subsequent social outcomes, as much as or even more so than neighborhood quality. This study therefore points to some of the limitations of the built environment in shaping positive social outcomes.¹⁹

¹⁶ James C. Fraser et al., "Making Mixed-Income Neighborhoods Work for Low-Income Households," *Cityscape* Vol. 15, No. 2 (2013).

¹⁷ Alexandra M. Curley, "Relocating the poor: Social capital and neighborhood resources." *Journal of Urban Affairs* 32, no. 1 (2010).

¹⁸ Curley, "Relocating the poor," 94.

¹⁹ Goetz, Edward G. "Better neighborhoods, better outcomes? Explaining relocation outcomes in HOPE VI." *Cityscape* (2010): 5-31.

VI. SOCIAL SERVICE PROVISION / MANAGEMENT

Mixed-income development projects often include on-site management and social service providers. Four elements are particularly relevant to create social support networks within these communities: (i) housing, as the fundamental material component for deconcentrating poverty; (ii) employment, as a tool to reintegrate residents into the labor market - marking a stark contrast with public housing developments; (iii) social supports, in terms of counseling, job training, childcare, and transportation; and (iv) infrastructure for neighborhood life, with community gardens and retail or other mixed-use spaces as anchors of social life.²⁰ Social services, therefore, go beyond the traditional scope of policies addressed at “bootstrapping” low-income households, or managing specific forms of vulnerability. They comprise a wide range of support systems to ensure that these residents can have a sustained access to opportunities and a rich social environment.

The transformation of public house projects into mixed-income neighborhoods, started in the mid 1990s with the HOPE VI federal program, illustrates the benefits and challenges that arise from these interventions. On one hand, there is evidence that social service provision can help forge greater community ties. For example, Kleit examined the NewHolly Hope VI mixed-income development project in Seattle and examined the extent to which on-site programming helped create relationships among residents of different backgrounds.²¹ The author found that programming offered at community facilities helped renters build relationships with homeowners, although the reverse was not true.

Similarly, a HOPE VI redevelopment in Boston transformed the infrastructure of the Orchard Park public housing project that, as a consequence of chronic disinvestment during decades, had become derelict and dangerous for its inhabitants. The former public house residents that returned to Orchard Gardens, renamed after the intervention, were fundamental in creating social ties and a sense of community around the neighborhood. The new infrastructure was cleaner, more open, and it rapidly created a sense of ownership for the lower-income residents, who committed to maintaining their surroundings. Their return was conditioned, however, by very strict regulations that only allowed certain kinds of residents in Orchard Gardens.²² Notably, new residents with higher incomes did not engage in social activities or in the maintenance of the common spaces.

²⁰ Fraser et al., “Making Mixed-Income Neighborhoods Work for Low-Income Households,” 85.

²¹ Kleit, R. G. (2005). HOPE VI new communities: Neighborhood relationships in mixed-income housing. *Environment and Planning A*, 37(8), 1413-1441.

²² “They must have good credit and not have been late on their rent payments in public housing; they could not have anyone on the lease with a felony or drug conviction; and they could not have damaged property in the old development. These new restrictions skewed the returning residents toward those who had stronger attachments to the workforce and those who were better able to manage the upkeep and maintenance of their apartments.” Laura M. Tach, “More than Bricks and Mortar: Neighborhood Frames, Social Processes, and the Mixed-Income Redevelopment of a Public Housing Project,” *City & Community* 8:3 (2009), 283.

A wide body of literature indicates that building social networks and encouraging cross-class and cross-racial interactions is perhaps one of the most difficult challenges that mixed-income neighborhoods face. Evidence from the HOPE VI initiative shows that “the everyday realities of residents living in mixed-income public housing developments have found multiple obstacles to building cross-class ties and social networks based on a sense of community.”²³ Low-income and minority households often experience minimal social mobility gains by virtue of their physical proximity to a wider variety of incomes in their neighborhood. Additionally, low-income residents are often subject to increased forms of surveillance and discipline, meaning that “belonging is distinct among differing groups”²⁴ in a mixed-income neighborhood.

HOPE VI redevelopment has focused on transforming public housing that suffered and crumbled for decades. Both this program and the scholarship dedicated to its analysis has focused on the effects of mixed-income homeownership as a tool to deconcentrate urban poverty, to mitigate its effects on low-income residents, and to integrate them into the labor force. There has been little to no attention to the possibilities of expanding mixed-income neighborhoods, as a public policy for social transformation, into rental markets such as New York City.

²³ Fraser et al., “Making Mixed-Income Neighborhoods Work for Low-Income Households,” 89.

²⁴ Fraser et al., “Making Mixed-Income Neighborhoods Work for Low-Income Households,” 90.

VII. MIXED-INCOME NEIGHBORHOODS: WHAT HAVE WE LEARNED?

Looking at how four criteria—land use and zoning, income mix, design, infrastructure, and social service provision—impact mixed-income neighborhoods reveals a common theme: identifying what makes a mixed-income neighborhood “tick” defies neat solutions. In any given neighborhood, different kinds of building typologies, income mixes, and land use regulations, all exert influence on the relative degree of income and social integration in the neighborhood. The best practices outlined here are by no means a “recipe” of how to create a successful mixed-income neighborhood, but rather loose guidelines that could help cities work towards better encouraging more balanced mixed-income neighborhoods.

VII. NEXT STEPS

Study infrastructure in the neighborhoods listed in **Figure 1**; map public transportation access and neighborhood services.

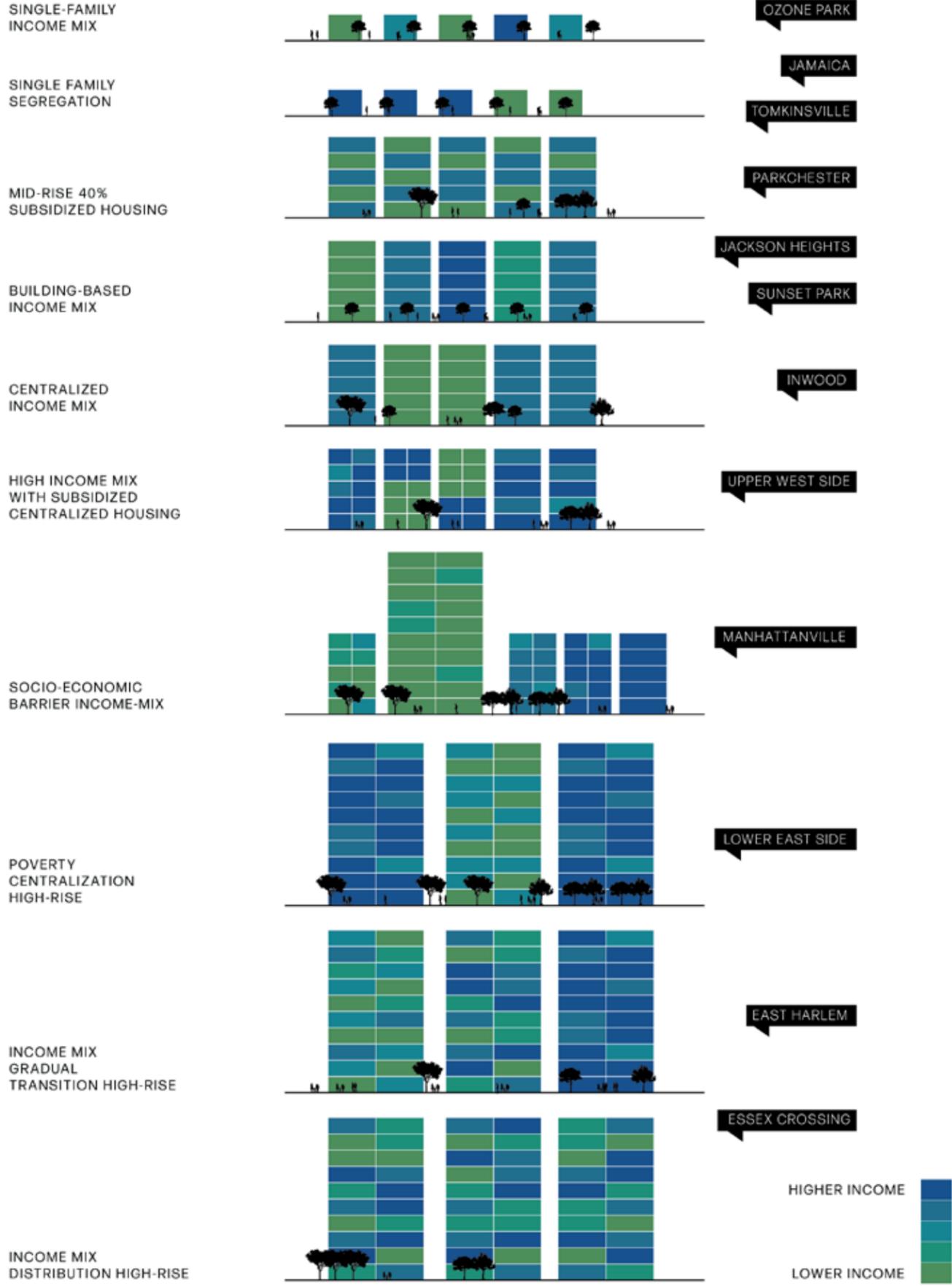
Incorporate this literature review into a case study of Manhattanville
Use precedent examples of other educational institutions in relation to neighborhoods in proximity

University of Pennsylvania and West Philadelphia
Northeastern University and Roxbury
Johns Hopkins and East Baltimore

Use visual elements to show how Manhattanville has changed over time and analyse how future construction will affect existing housing in the area. Refer to the \$10 million dollar commitment Columbia made to spend in affordable housing

Solutions on maintenance
Investment in elements of study that create a more
“successful” mixed-income neighborhoods

To demonstrate just how varied different mixed-income neighborhoods are, we created a graphic showing different configurations of mixed-income neighborhoods (Figure 1). As the graphic shows, mixed-income neighborhoods vary by density, building typology, and the ratio of subsidized to market-rate units, among other factors. Our goal in creating this graphic is to show that examining the success of mixed-income neighborhoods will likely vary from neighborhood to neighborhood or project to project—and that solutions to challenges in mixed-income neighborhoods will need to be heavily tailored to local context. It is also important to understand that there are differences in planning for a neighborhood that varies in income within the same residential building than the neighborhoods that vary by building or block. One of the most important steps seeking a steady integration is to promote a cohesive design that is relevant to the location and works with the means of access and infrastructure.



ACKNOWLEDGEMENTS

IDC Foundation

Dean Amale Andraos
Associate Dean Leah Cohen

Contributions By:

Bernadette Baird-Zars
Jenna Davis
Mariana Hinojosa
Juan Sebastian Moreno
Maria Perez Benavides

Reviewed By: