

## ULI Minnesota's 8<sup>th</sup> Annual Housing Summit, Summary

### Furthering Fair Housing: The Important Role of Mixed-Income Development

On June 8<sup>th</sup>, 2016 ULI Minnesota hosted its 8<sup>th</sup> Annual Housing Summit, an event made possible through the generous funding and collaborative partnership with the Family Housing Fund. The event was titled “Furthering Fair Housing: The Important Role of Mixed-income Development” and attracted a packed house of leaders from the private sector, government and non-profit community across the Minneapolis–Saint Paul region.

The event featured one of the Minnesota's best-known leaders as one of two keynote speakers—former US senator and Vice President, Walter Mondale. He was joined by Case Western Reserve University professor Mark Joseph, a national expert on mixed income development and Director of the National Initiative on Mixed-Income Communities.

Mr. Mondale was on hand to discuss his role in the development of the Fair Housing Act of 1968, a landmark piece of legislation that arose during the civil rights movement and still impacts communities today. He recalled sitting on numerous committees for civil rights as a young senator, watching as “a door of opportunity to protect civil liberties opened after 200 years of injustice. All for the better and much delayed,” he said.

A cross-section of Americans was assembled to talk about housing, and Mr. Mondale described the Senate testimony of a young and rising military officer with a lovely family—seemingly ideal rental tenants—who struggled to find housing they would otherwise qualify for because they were black. They would respond to apartment listings and be invited to see them only to be told there was nothing available when they arrived. Housing was indeed personal, and it was stories like these that helped change minds.

Unfortunately, such testimony was not enough to get the job done on its own. It took a national tragedy to finally get the bill across the finish line. The assassination of Dr. Martin Luther King Jr. and ensuing protest and civil unrest created enough of an outcry to at last enable passage of the Fair Housing Act.

It's quite a story, yet it was when the former VP pivoted to what followed the passing of the bill that the continued importance of fair and affordable housing really came through. He discussed the good start that Minnesota and other places got off to after the bill became law, but he also noted disappointment that we have not come further in the nearly fifty years since. While still proud of what the bill accomplished, Mr. Mondale acknowledged that it was not perfect, that it could have been better, and that much remained to be done.

Still, Mondale ended with a hopeful message—and a categorical imperative for the audience. He noted that the Supreme Court in 2015 settled a longstanding debate about the law when it upheld the disparate-impact provision of the of the Fair Housing Act, a key enforcement mechanism, by confirming that discrimination need not be intentional in order to be illegal. This decision, he said, provides renewed strength to the bill he worked so hard on as a young senator, leaving him hopeful for its continued ability to make a difference.

And therein lies his imperative as well. We must use the Fair Housing Act to continue making our communities more welcoming places. “When I grew up it was a question of how the Norwegians and the Swedes would get along here in Minneapolis,” the former Vice President joked. “Go downtown now. We have become one of the favorite destinations for immigrants in this country. We need to strengthen our institutions. We need to try to make certain that they have a chance to live in a more open, unsegregated environment.”

## National Mixed-Income Housing Expert Mark Joseph

The former Vice President's remarks on the history of the Fair Housing Act set the stage for a presentation on how mixed-income developments play an important role in fair and affordable housing today by Mark Joseph, a professor at Case Western Reserve University in Cleveland, Ohio and director of the National Initiative on Mixed-Income Communities. Professor Joseph is nationally recognized for his research on urban poverty and the use of mixed-income development as a strategy to combat it and recently co-authored the book *Integrating the Inner City: The Promise and Perils of Mixed-Income Public Housing Transformation*.

Professor Joseph laid out how he sees the current policy landscape for housing in the United States, observing that the country is both diversifying rapidly while becoming more polarized politically. He hoped that his presentation would appeal to the Housing Summit attendees as both professionals and also as community residents with an interest in seeing the places where they live continue to thrive, arguing that cities cannot succeed in the long term when they are highly segregated by wealth.

### Is It Working?

The most frequent—and important—question regarding mixed-income housing as a tool to fight poverty is, of course, “is it working?” The problem that arises, according to Professor Joseph, is that people in different roles, from developers to property managers to residents, have different definitions of success and finding a shared one is critical for measuring long-term impact. As an outcome of its research, the National Initiative on Mixed-Income Housing identified five ways to look at mixed-income developments to assess their success. They are, in order of ascending difficulty, as follows:

1. **Promoting and sustaining mixed-occupancy.** This is not just about getting people to move in but about getting them to stay, too. Even if a development starts out with mixed-incomes, they can easily shift to a more homogeneous makeup over time unless we are intentional about preserving that initial income diversity.
2. **Increased quality of life and an improved quality of physical environment.** Like any other project, an ideal mixed-income development is beautiful, stable, safe, and well-designed.
3. **Building community.** It is not enough to simply have people living in a better quality building. It's important that the people in these communities feels they are a part of something more than just being in their unit. Professor Joseph refers to this concept as “effective neighboring” and believes it needs to be built in as a core goal of housing projects.
4. **Promoting individual social/economic mobility.** The goal is not for families to move into a nice house or nice neighborhood only to remain poor. The idea is that housing can be a platform for individual progress, to get on a trajectory toward the American dream.
5. **Neighborhood revitalization without displacement.** Professor Joseph observed that we hope that redeveloping housing will have an impact on the surrounding neighborhood and city; however, it's important that we do not simply displace the people we are trying to help in the process.

After outlining these five criteria, Professor Joseph went on to assess the relative levels of success he sees in mixed-income developments nationally. In general, he believes we do well in terms of driving increases in quality of life and the physical environments for mixed-income residents. He also sees positive impacts on neighborhoods, particularly in terms of decreased crime and increased private and public investment.

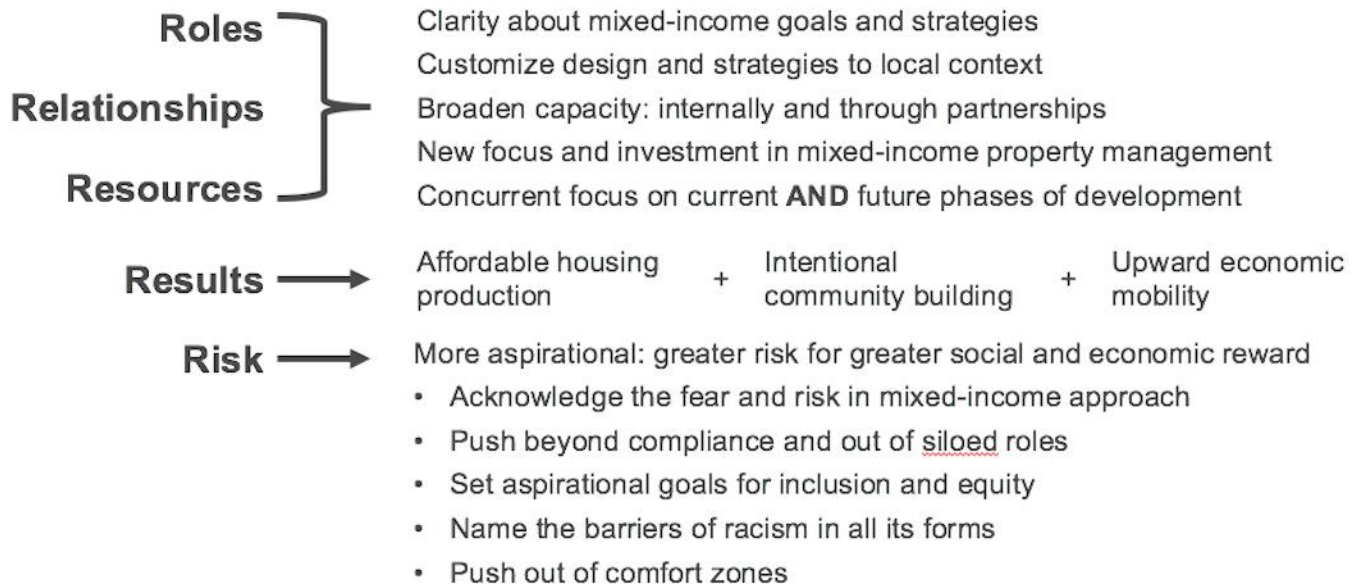
On the other hand, he sees mixed success when it comes to promoting and sustaining mixed-occupancy. It has sometimes been challenging to get public housing residents to return to new, mixed-income developments. And, though there is generally strong demand for market-rate rental, that segment of the

population shows substantial turnover over time which can undermine the community building efforts necessary for prolonged success.

The remaining areas are ones where Professor Joseph sees the most difficulty. Mixed-income developments, he says, are prone to “us versus them” dynamics between residents of different ethnic, racial and socio-economic strata. “I don’t think we need to be down on ourselves as Minnesotans or as Americans or as human beings,” he said. “As human beings, we are tribal and we instinctively look to ‘who’s like me?’ ‘who can I trust?’” So in order to make these places work, we must be purposeful about how we bring people together and help them build trust and become comfortable with one another. Finally, his research has shown very little evidence of upward economic mobility for low income residents in mixed-income communities, which he argues is unacceptable given the amount of money we put into making these places a positive platform for opportunity.

## The Five “R’s”

So how do we get more of the outcomes we want? How do we not only continue what we are doing well but also improve where we have opportunity to do so? Professor Joseph outlined a framework called “The Five R’s,” the underlying concept for which he borrowed from Salin Geevarghese of HUD, to help think about this work. This framework, he argues, provides a valuable way of thinking about how we pursue the success criteria identified above. The graphic below provides an overview of the Five R’s.



Across the Five R’s, two key points stood out in the way they encourage a different mode of thinking for property developers, management companies and even government when it comes to mixed-income development. First—under Roles, Relationships and Resources—was the notion of focusing on mixed-income property management as its own distinct skillset. Professor Joseph observed that we have a good grasp on what it means to manage market rate or luxury properties and we also have reasonably good models for managing 100% affordable housing developments. He argues that mixed-income properties present unique challenges as such need their own model of property management to succeed. “If your team doesn’t have a definition of mixed-income property management, you need to have one,” he said.

The second key point falls under Risk and is a demonstration of one of the ways in which mixed-income property management is different. Earlier in his presentation, Professor Joseph discussed the challenge of building community among residents from very different situations and backgrounds (the “us versus them”

mentality) and made it clear it would not happen on its own. He encouraged attendees to think about community building with increased intentionality and to build it directly into the development process. Further, he advocated acknowledging the fear and uncertainty that people often feel around those who are different from them, suggesting it be tackled head-on. From there it becomes more possible to make connections, to change the narratives residents might arrive with regarding other kinds of people, and activate community in these developments. He acknowledged that building all of this into how we execute mixed-income development from start to finish is costlier and perhaps riskier than what we are used to, but that it is worth it for the higher returns it can accomplish in terms of lowering turnover, better integrating communities and fostering long-term economic vitality in cities.

Though Professor Joseph's presentation identified some areas where mixed-income developments had not yet achieved their ambitions, and although he outlined some additional challenging objectives, his message was hopeful and positive. He discussed building momentum for positive change through the formation of a new strategic alliance, joining his National Initiative on Mixed-Income Communities with a policy group called the Center for the Study of Social Policy and Urban Strategies, "one of the country's foremost human capital developers" that will combine research, policy and practice. He shared an example of a project in his hometown of Cleveland where the Initiative is identifying diversifying areas that are making progress on "effective neighboring" in hopes they can gather data about what is working in those places.

Moreover, Professor Joseph acknowledged that—despite the challenges—there are many people are working very hard to make mixed-income projects successful, and he recognized the successes that have been achieved. He recognized that the work to better integrate our communities and to give people new opportunities for economic and social growth is difficult, and he commended the people working every day to make it happen.

## Mondale on Mondale

At the conclusion of Professor Joseph's presentation, former Vice President Walter Mondale returned to the stage, this time accompanied by his son, Ted. For the remainder of the summit, they held a discussion on current affairs that covered everything from the elder Mondale's experiences with contested and rancorous party conventions in 1964, 68 and 1980 to his thoughts on how presidential candidates ought to go about selecting a running mate. For a clip from this discussion, click the link below.

[Walter Mondale on the Conventions of 1964, 1968, and 1980](#)