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

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LIMITED SUPPLY;
GROWING NEEDS
One in Four Low-Income Rental Households Receive Housing Assistance
Needs of Low Income Renters are Growing

<table>
<thead>
<tr>
<th>Year</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1960</td>
<td>40.0%</td>
</tr>
<tr>
<td>1970</td>
<td>50.0%</td>
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<tr>
<td>1980</td>
<td>55.0%</td>
</tr>
<tr>
<td>1990</td>
<td>58.0%</td>
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<tr>
<td>2000</td>
<td>59.0%</td>
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<tr>
<td>2005</td>
<td>63.0%</td>
</tr>
<tr>
<td>2009</td>
<td>66.0%</td>
</tr>
</tbody>
</table>

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

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
**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 10th 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?