



Prioritizing Inclusion and Equity In the Next Generation of Mixed-Income Communities¹

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We face an existential challenge in America. Major shifts in demographic change, housing affordability, and race and class inequality threaten to destabilize our already tenuous social fabric. As the country is becoming more diverse, it is also becoming more polarized. As our cities and some neighborhoods become more vibrant and attractive places to live, work, and spend leisure time, they also are becoming less affordable and less welcoming to people of various economic, racial, ethnic, and cultural backgrounds. In contrast, many neighborhoods and inner-ring suburbs are experiencing economic decline and depopulation, leading to increased segregation as only low-income households remain. What America are we creating for future generations?

We, and the authors contributing essays to this volume, aspire to shape an inclusive, equitable America, where neighborhoods are places where differences are affirmed and valued, not ignored or scorned. We envision a nation where your ZIP Code is not the strongest predictor of your life chances. We envision communities strengthened by a sense of mutual prosperity rather than zero-sum competition.

We believe that the next generation of mixed-income, racially diverse communities could offer a path toward this America through greater intentionality about promoting inclusion and equity. This next generation of mixed-income communities is incredibly consequential because it offers unique geographic potential for healing and connection across differences as well as a path to mobility out of poverty. Cultivating more equitable and inclusive mixed-income communities will require a vigilant focus on broadening access to economic, political, and social opportunities, while bridging divisions of class, race, gender, and other identities. It will require new practices at the micro-level within neighborhood associations, school classrooms, community policing meetings, neighborhood businesses and local libraries as well as operational changes within institutions, private firms, and organizations. And it will require macro-level

¹ This essay appears in Mark L. Joseph and Amy T. Khare, eds., *What Works to Promote Inclusive, Equitable Mixed-Income Communities*, please visit the [volume website](#) for access to more essays.

efforts required to disrupt systemic racism and classism through government policies, philanthropic strategies, and market processes.

There are mounting concerns that the mixed-income approach does more harm than good for low-income households of color, promotes displacement and exclusion, and thus should be abandoned as an antipoverty approach. We share these concerns but have not lost hope in the potential of mixed-income communities to alleviate poverty and racial segregation, to spur equitable economic development opportunities, and to generate positive benefits for households and for cities. Neighborhood revitalization efforts can clearly produce a complete physical transformation, accompanied by improvements in local amenities, safety, and residential stability. However the benefits of mixed-income neighborhood transformations are not enjoyed by all residents. Rather, low-income households often experience high levels of displacement, enduring social distance and exclusion, and minimal changes in economic opportunity.²

After more than two decades of planned efforts to design, build, and sustain mixed-income communities, much remains to be learned about how this approach can better advance inclusion and equity. We are very pleased to present this compilation that will include almost 50 essays in which about 100 co-authors will share their latest insights, experience, and research about this crucial topic for the future of the United States.

What do We Mean by “Mixed-Income Communities”?

To start, we need to define what we mean by “promoting inclusive, equitable mixed-income communities.” The mixed-income development approach typically has been defined as a means to address concentrated urban poverty and racial segregation by building housing and other amenities, such as parks, schools, and community centers, which intentionally integrate households of different income groups as part of the financial, physical, and operating plan.³ Since the mid-1990s, the mixed-income development approach has engaged private real-estate developers to take on roles that historically were expected of the public sector, such as designing and building public housing and other amenities, serving as operators and property managers, and providing resident services and other community-based supports.⁴

² Robert J. Chaskin and Mark L. Joseph, *Integrating the Inner City: The Promise and Perils of Mixed-Income Public Housing Transformation* (Chicago: University of Chicago Press, 2015); James C. Fraser, Deidre Oakley, and Diane K. Levy, Guest, “Mixed-Messages on Mixed-Income,” *Cityscape*, 15 no. 2 (2013); Diane K. Levy, Zach McDade, and Kassie Bertumen, “Mixed-Income Living: Anticipated and Realized Benefits for Low-Income Households,” *Cityscape*, 15 (2013).

³ Paul C., Brophy and Rhonda N. Smith, “Mixed-Income Housing: Factors for Success,” *Cityscape* 3 no. 2 (1997); Mark L. Joseph and Miyoung Yoon, “Mixed-Income Development” in *Wiley-Blackwell Encyclopedia of Urban and Regional Studies*, (West Sussex UK: John Wiley & Sons Press, 2019).

⁴ Mark L. Joseph, “Creating Mixed-Income Developments in Chicago: Developer and Service Provider Perspectives,” *Housing Policy Debate* 20 no. 1, (2010), doi: 10.1080/10511481003599894.; Amy T. Khare “Privatization in an Era of Economic Crisis: Using Market-Based Policies to Remedy Market Failures,” *Housing Policy Debate* 28 no. 1 (2018), doi: 10.1080/10511482.2016.1269356.

We adopt a broader definition of mixed-income communities here. At the core of the definition is a *place-based* approach to poverty deconcentration, in contrast to the residential *mobility* approach which has recently gained renewed attention through the work of Raj Chetty and Nathaniel Hendren and their colleagues at [Opportunity Insights](#). To complement the robust policy focus on moving individual households to better environments, we and other authors in this volume focus on how places themselves can be made more integrated, accessible, and opportunity-producing for low-income households, particularly households of color.

We also are interested in broadening the focus from mixed-income *housing* to mixed-income *communities*. This more comprehensive, holistic focus means that in addition to housing, the other elements that help a community thrive—schools, parks, community gardens, recreation centers, arts and cultural hubs, networks of neighbors, transit, and retail districts—also are necessary to develop and sustain as intentionally *inclusive* amenities.

The essays in this volume focus on three major place-based approaches to promoting mixed-income communities. The first approach is place-based, mixed-income developments in high-poverty neighborhoods, such as those created through the transformation of public and assisted housing redevelopments. Federal policies, such as those driving the [HOPE VI Program](#) and the [Choice Neighborhoods Initiative](#), promote the development of new housing developments that intentionally create a mix of residents across incomes and housing tenures.⁵ This approach has received the most focused attention and scrutiny. About 260 HOPE VI grants were made, and there are now over 100 Choice Neighborhoods implementation and planning grantees.⁶ Some well-known examples of local multi-site, mixed-income public housing transformation are the [Atlanta Model](#), [Chicago’s Plan for Transformation](#), [HOPE SF](#) in San Francisco, and the [New Communities Initiative](#) in Washington, D.C.⁷

A second approach to promoting mixed-income communities is through inclusionary housing and zoning strategies in low-poverty neighborhoods. This approach makes it possible for low- and middle-income households to live in areas that would be generally unaffordable to them, such as suburbs and desirable city districts, which tend to be predominantly white and affluent. While tens of thousands of units have been developed nationwide, 80 percent of inclusionary zoning programs are located in just three states: California, New Jersey, and

⁵ Susan J. Popkin et al., *A Decade of HOPE VI: Research Findings and Policy Challenges* (Washington, DC: Urban Institute, 2004); Rolf Pendall et al., *Choice Neighborhoods: Baseline Conditions and Early Progress* (Washington, DC: Urban Institute, 2015).

⁶ Taryn Gress, Seungjong Cho, and Mark L. Joseph, “HOPE VI Data Compilation and Analysis,” (Washington, DC: U.S. Department of Housing and Urban Development, 2016).

⁷ Lawrence J. Vale, *Purging the Poorest: Public Housing and the Design Politics of Twice-Cleared Communities* (Chicago: University of Chicago Press, 2013); Robert J. Chaskin and Mark L. Joseph, *Integrating the Inner City: The Promise and Perils of Mixed-Income Public Housing Transformation*; Mark L. Joseph, Garshick Kleit, R. Latham, N & LaFrance, S. (2016). HOPE SF: San Francisco’s Inclusive Approach to Vale Mixed-Income Public Housing Redevelopment. *Shelterforce*. Spring 2016; “New Communities Initiative,” New Communities Initiative, <https://dcnewcommunities.org/>.

Massachusetts.⁸ The majority of local inclusionary zoning programs are mandatory (per state or local law), while some allow developers to “buy out” of requirements by contributing to a local affordable housing fund. Some inclusionary housing and zoning approaches offer incentives, such as cost offsets to developers, in order to create a mix of market-rate and affordable units.⁹

A third approach aims to achieve mixed-income communities through affordable housing preservation and other strategies for preventing displacement in gentrifying areas. Gentrification occurs when an influx of more affluent households generates an increase in rents, property taxes, and general cost of living.¹⁰ In these communities, an influx of capital—from real estate developers and investors, for instance—results in social, economic, cultural, political, and physical transformations that change the community’s social dynamics. This intense level of private-market activity can lead to the physical and cultural displacement of the original residents and businesses; thus, there is a need for strategies that preserve affordable housing, locally owned businesses, traditional and historic social venues, and other local assets and ensure that original residents can benefit from the market activity (e.g., through access to capital and stable jobs).

What do We Mean by “Inclusion” and “Equity”?

Racial and socioeconomic integration of residents is necessary but not sufficient to create social inclusion in a community. We define inclusion as the active, intentional, and sustained engagement of traditionally excluded individuals and groups through informal activities and formal decision-making processes in ways that build connections and share power. We believe that inclusion occurs when a social context enables people of diverse backgrounds to interact in mutually respectful ways that reveal their similarities and common ground, honor their social and cultural differences and uniqueness, and value what each individual and group can contribute to the shared environment. Through this inclusion and interaction, people can shift narratives and perceptions about “the other.” Inclusion requires sustained intentionality and action.

Equity is the process of ensuring a fair opportunity for individuals and their families to thrive socially and economically. An equity focus can be motivated not just by a sense of morality and justice but also by pragmatism: inequity hurts all of us by preventing some individuals and subgroups from realizing their full potential and value in service of the greater societal good. Equity requires that people receive a more fair share of resources, opportunities, social supports, and power, given their differential needs and circumstances based on different

⁸ Brian Stromberg and Lisa Sturtevant, “What Makes Inclusionary Zoning Happen?,” National Housing Conference, 2016, <https://law.wustl.edu/landuselaw/Articles/Inclusionary%20Zoning%20Rept%202016.pdf>.

⁹ Rick Jacobus, *Inclusionary Housing Creating and Maintaining Equitable Communities* (Cambridge, MA: Lincoln Institute of Land Policy, 2015).

¹⁰ Loretta Lees, Tom Slater, and Elvin Wyly, *Gentrification*, (New York, NY: Taylor and Francis, 2008).

life experiences. Equity therefore entails addressing structural disparities that exist between people of different backgrounds.

Equity is not the same as equality. After centuries of discrimination, the needs of historically marginalized populations may be higher than those of groups who have had privileged opportunity and power. Thus, getting a “fair share” does not mean that everyone receives the same amount of resources; rather, it means that resources are allocated in a way that promotes the attainment of a person’s full potential. Success toward equity would be indicated by the decrease in social and economic disparity among people of different racial and economic backgrounds.

In a quest to treat everyone equally, mixed-income planners, developers, and practitioners may fail to appreciate how historical imbalances may require resources to be balanced in favor of traditionally marginalized populations. Without a focus on *equity*, stakeholders may miss an opportunity to meaningfully generate greater access and opportunity for low-income households and people of color.

What do We Mean by Racial Equity and Inclusion?

Although it is not explicit in how the term “mixed-income communities” generally is framed, we are highly interested in strategies to promote *racial* equity and inclusion as well as mixing across income and class. Racial equity places priority on ensuring that people of color, particularly blacks/African Americans, are afforded opportunities that they have historically been denied and from which they continue to be excluded.

Much of our current debate about racial equity and inclusion focuses on a fairness argument about the prevalence and durable nature of concentrated white affluence and the inequality and harm to people of color that it causes. This debate about greater racial equity largely remains in a zero-sum frame that stifles most policy discussions on the topic: What would white people have to give up in order for marginalized groups to receive more? This plays directly into the prevailing “us versus them” dynamics that are constraining the potential of America as it diversifies. These efforts remain within a deficit-oriented, charitable frame of what white people should do *for* people of color without posing the more asset-oriented question about the *value* that blacks/African Americans and other people of color can offer to communities and to society, if they were afforded more opportunity and inclusion. White people do not just avoid and exclude people of color because they are afraid or uncaring. Very often, white people simply do not see *value* in people of color, because of their presumed inferiority after centuries of highly successful white-supremacist framing that has seeped into policies, practices, and conventional wisdom.

In this volume, in addition to the fairness argument, we seek to elevate the economic and social value case for greater inclusion and equity. We urge a shift in the imperatives for more

inclusive mixed-income communities to emphasize the value of people of color and the value of people who are economically constrained, as well as the motivating potential of a *positive-sum* reality whereby greater opportunity for marginalized people actually generates increased, sustained opportunities for all people.

Organization of the Volume

We are thrilled to have compiled an array of essays that will dramatically advance our knowledge and strategies. These essays will equip policymakers, practitioners, investors, and community members with the latest thinking and tools needed to achieve more inclusive and equitable mixed-income communities. The authors and essays represent a diverse range of perspectives and topics while exploring the central theme of urban equity and inclusion through place-based strategies. The following questions framed our shared inquiry:

- How can the benefits of mixed-income community revitalization be shared more equitably?
- How can mixed-income communities be leveraged to produce a broader range of positive—indeed, transformative—individual, household, community, and societal outcomes?
- What are the most promising innovations to be expanded in the next generation of mixed-income community efforts?
- What are the greatest threats to efforts to promote more inclusion and equity through mixed-income communities, and what steps should be taken to counter them?
- What are the practical, actionable implications of current experiences and findings for policymakers, developers, investors, residents and community members, researchers, and other important stakeholders?

We have organized the essays into five topical areas, as follows:

Cluster #1: What is the Current Landscape of Mixed-Income Communities?

These essays set a geographic context for the volume’s discussion of mixed-income communities, exploring questions such as: Where do mixed-income communities exist and what are their characteristics? What are the trends in where mixed-income communities are emerging in metro areas? What effects do mixed-income communities have on the areas around them? Some essays in this group focus on inclusionary housing in low-poverty neighborhoods as a promising area in which to sharpen strategies for creating inclusive, equitable mixed-income communities.

Cluster #2: What Policy Innovations Do We Need?

These essays explore the design and implementation of federal, state, regional, and local policies to advance inclusion and equity through mixed-income communities. Questions explored include: What types of policies are being advanced and at what scale? What next-generation policy innovations have the most promise for benefiting low-income populations? What are the current challenges to the design and implementation of mixed-income policies?

Cluster #3: Who Has a Say and Who Benefits?

These essays focus on influence and power in mixed-income interventions and how to broaden the range of beneficiaries from mixed-income communities. Questions explored include: How can cross-sector efforts generate a greater commitment to equitable development? How can residents and other community stakeholders who are traditionally excluded from influence and control participate more fully in shaping policy reform and implementation? What are some pathways to community ownership, and can they reduce the displacement effects of mixed-income revitalization? What is the best way to frame narratives about mixed-income efforts so that they engage wider audiences and generate public will for greater inclusion and equity? What special populations within mixed-income communities, such as youth, women, and fathers, require a great level of strategic attention and focus?

Cluster #4: How to Engage the Private Sector in Inclusion and Equity?

These essays discuss the opportunities and challenges of harnessing market-driven private-sector investment to promote urban inclusion and equity. Questions explored here include: How do financial incentives steer development to certain populations and places? What policy strategies are being used to incentivize and facilitate investment in mixed-income projects? What are the dangers of relying on the market, and what strategies can maximize the upsides? What can be learned from private owners' and developers' perspectives, experiences, and outlook on the field?

Cluster #5: What is Needed Beyond Mixed-Income Housing?

These essays explore how the mixed-income field is moving toward increasingly comprehensive, holistic place-making and neighborhood development, with an emphasis on amenities, resources, and services that generate well-functioning mixed-income, mixed-use communities. Questions to be considered include: Beyond housing, what other community features, such as early care and education, health and wellness, design and environmental

sustainability, and social inclusion and cohesion need to be considered when designing and developing mixed-income efforts? How might mixed-income strategies be designed and implemented more holistically?

Toward the Next Generation of Mixed-Income Communities

While mixed-income interventions have evolved considerably over the past 30 years, we have yet to realize the potential of these place-based interventions to play a much greater part in helping to address racism, classism, and other forms of societal isolation and marginalization. In this era of increasing social disconnection and distrust, we are excited to present a wealth of new information and ideas to advance social change through greater urban inclusion and equity.

About the Volume

This essay is published as part of a volume titled, *What Works to Promote Inclusive, Equitable Mixed-Income Communities*, edited by Dr. Mark L. Joseph and Dr. Amy T. Khare, with developmental editing support provided by Leila Fiester. Production is led by the National Initiative on Mixed-Income Communities (NIMC) at the Jack, Joseph, and Morton Mandel School of Applied Social Sciences at Case Western Reserve University, with lead funding provided by The Kresge Foundation. The volume aims to equip a broad audience of policymakers, funders, practitioners, community activists, and researchers with the latest thinking and tools needed to achieve more inclusive and equitable mixed-income communities. This is the fifth volume in the Federal Reserve Bank of San Francisco's What Works series, which has sought to analyze a variety of key themes in urban development.

The views expressed in the essays reflect the authors' perspectives and do not necessarily represent the views of The Kresge Foundation, the Federal Reserve Bank of San Francisco or of the Federal Reserve System.

Readers can view this essay, the [framing paper](#) for the volume, and all currently posted essays on NIMC's [website](#) where new pieces are being uploaded every month. Essays will be compiled and released in a final print volume, with an anticipated release in 2020.

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