

Contrasting Affordable Housing Production and Neighborhood Reinvestment Strategies

	Affordable Housing Production	Neighborhood Reinvestment
Purpose	Increase the supply of affordable housing in a community where it is scarce. Addresses an income group and its ability to secure safe, decent, affordable housing.	Increase demand for housing in neighborhoods that has little or has the wrong time. Addresses a neighborhood real estate market and makes changes s that it makes economic sense for residents and others to invest time, money and energy there.
Geography	Any size, but often larger than one neighborhood, city county, etc.	Targeted areas where demand is weak; small enough to create visible changes with the resources available: neighborhoods.
Customer	A particular income group, usually below 80% median.	The neighborhood as a real estate market – protects current investments and encourages new ones. Serves all incomes.
Customer Service	Limited options in finances and choice of neighborhoods may mean lower expectations of customer service.	Greater options financially and/or in choice of neighborhoods means high expectations for customer service.
Programs	One or two housing products intended to provide or improve housing at low cost.	Multiple programs tailored to the neighborhood, intended to influence choices of positive investment in neighborhoods.
Marketing	Focus on rules, restrictions, especially income. Great emphasis on funding source requirements. First come, first serve.	Focus on customer wants to encourage investment choice in targeted neighborhood. Negative message eradicated. Income not emphasized. Proactive marketing to desired target markets.
Housing Standards	“Decent”, safe, and sanitary. Extras determined by affordability.	High-quality improvements to increase homeownership equity, emphasis on visible exterior treatments that inspires confidence and positive investment by others. Houses as “billboards”.
Decisions	Influenced only by maximizing affordability to target income groups.	Influenced by potential impact on the neighborhood market and on potential choices of various investors, including those with modest incomes.
Measures of Success	Outputs: number of people served, units produced, loans closed, etc.	Outcomes: resident satisfaction, real estate values, building conditions, crime rates, etc.