



## Freddie Mac Shines Spotlight on Underserved Multifamily Housing Markets with Three New White Papers

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### Next Three Papers in Eight Part “Duty to Serve” Series Examine Efforts to Encourage Affordability and Deconcentrate Poverty

MCLEAN, Va., Nov. 02, 2018 (GLOBE NEWSWIRE) -- [Freddie Mac](#) (OTCQB: FMCC) today released three additional white papers in its eight-part [Duty to Serve series](#) that are designed to shed light on underserved multifamily housing markets. The papers examine state incentives through the Low-Income Housing Tax Credit (LIHTC) program that encourage affordability in high opportunity areas, and the use of mixed-income housing in areas of concentrated poverty. Last week, Freddie Mac released the first two installments of the series, which focused on the use of the LIHTC program in [rural Middle Appalachia](#) and [Indian Areas](#).

“It is broadly understood that economic diversity in a neighborhood can help disadvantaged community members climb the economic ladder,” said Steve Guggenmos, vice president of Multifamily Research & Modeling. “The papers released today consider efforts to further residential economic diversity both by encouraging affordability in high opportunity areas and by encouraging mixed-income developments in high-poverty areas. This research is a critical part of our Duty to Serve mission, which aims to shine a spotlight on and address problems facing underserved housing markets.”

#### Opportunity Incentives in LIHTC Qualified Allocation Plans

The [third paper](#) in Freddie Mac's Duty to Serve series explores state Housing Finance Agency (HFA) efforts to guide LIHTC dollars to high opportunity areas using Qualified Allocation Plans (QAPs). “High opportunity areas” are often defined by high income, low poverty, and great social and economic opportunity for residents.

According to the research, more states are promoting affordable housing in high opportunity areas using QAPs than previously thought. States rely on five primary indicators of opportunity in their QAPs: access to education, economic growth/jobs, income levels, access to health care and access to transportation.

#### Affordable Housing in High Opportunity Areas

Freddie Mac's [fourth white paper](#) examined the availability of affordable housing units in high opportunity areas. The paper found that over 56 million people, or 18 percent of the American population, live in these areas, even though they account for less than 8 percent of the country's land area. According to the research, there is a drastic shortage of affordable housing in these areas. Just 7 percent of the nation's nearly 75,000 subsidized affordable housing properties are in high opportunity areas. These shortfalls are driven by challenges to developing affordable housing in these areas, including zoning issues, local resistance, high costs and a lack of buildable land.

#### Mixed-Income Housing in Areas of Concentrated Poverty

The [fifth white paper](#) in the Duty to Serve series examines efforts to bring economic opportunity to Areas of Concentrated Poverty (ACPs) using mixed-income housing. The paper seeks to create a foundational understanding of the challenges and opportunities in developing mixed-income housing in ACPs.

The research finds that 19 percent of the nation's population lives in an ACP and that nearly a third of the population within ACPs lives in poverty. In these areas, renting is common and subsidized housing makes up a disproportionately large share of renter households. The paper tracks the use of mixed-income development from the 1960s to today and finds that although economic integration can improve schools and employment opportunity, there is a risk of resident displacement.

Freddie Mac [Multifamily](#) is the nation's multifamily housing finance leader. Historically, nearly 90 percent of the eligible rental homes we fund are affordable to families with low to moderate incomes. Freddie Mac's [Duty to Serve](#) plan aims to expand affordability and address America's most persistent housing problems.

Freddie Mac makes home possible for millions of families and individuals by providing mortgage capital to lenders. Since our creation by Congress in 1970, we've made housing more accessible and affordable for homebuyers and renters in communities nationwide. We are building a better housing finance system for homebuyers, renters, lenders, investors and taxpayers. Learn more at [FreddieMac.com](#), Twitter [@FreddieMac](#) and Freddie Mac's blog [FreddieMac.com/blog](#).

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