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Affirmatively Furthering Fair Housing and the
Center for Neighborhood Technology's H+T Affordability Index



This primer discusses the need for policymakers to include fair housing metrics into the Housing + Transportation Affordability Index if it is to promote greater equity and opportunity.

Overview: H+T Affordability Index

The H+T Affordability Index, created by the Center for Neighborhood Technology (CNT), is an innovative tool that measures the cost of housing and transportation accessibility, determining the affordability of a community. The H+T Affordability Index utilizes the HUD housing burden metric of 30% of household income as a maximum for affordability. CNT enhances HUD's metric by suggesting that housing and transportation costs should not exceed 45% of household expenses. Under the traditional affordability definition, 7 in 10 neighborhoods in U.S. metropolitan areas are affordable. Under the H+T Affordability Index, only 4 in 10 neighborhoods are affordable. While this index addresses the often neglected connection between housing and transportation, the design and scale suffers significant shortcomings related to fair housing.

Additional household costs which impact affordability

Although housing and transportation are the two largest variables consuming household income, policymakers must recognize the additional variables greatly impacting household costs and quality of life. Furthermore, there are higher direct and indirect living costs in higher poverty areas compared to communities with low poverty, supporting the point that the H+T Affordability Index needs to include fair housing metrics.

Research shows that families living in disadvantaged neighborhoods pay more for groceries and basic financial services, and face higher rates for both car insurance and auto loans. Furthermore, the same neighborhoods often suffer from poorer quality local schools; inferior access to employment; higher exposure

to environmental hazards; more frequent exposure to crime, poorer health outcomes and access to different types of social networks; and lower quality of municipal services. If policymakers and municipalities prioritize low-income residential moves solely based upon area affordability, they run the risk of guiding low-income households towards areas with fewer resources and higher expenses outside of those related to public transportation and housing.

H+T's potential for segregation and poverty concentration

If housing and transportation costs are considered metrics in the absence of fair housing for low-income families of color, the index can reinforce separate and unequal development patterns. Numerous areas with abundant public transit and affordable housing have racial and economic compositions that, if prioritized for new low-income developments, will disproportionately concentrate poverty and perpetuate racial segregation, contrary to fair housing goals. This is because housing and transportation costs tend to be lower in low-income and minority concentrated communities. In the study, Building Environmentally Sustainable Communities, the Urban Institute found that "the higher density and less auto-dependent neighborhoods that score highly on walkability/transit accessibility measures tend to be more urban and disproportionately populated by racial minorities." While affordable housing and abundant public transportation is less frequent in higher income and predominately white areas, these communities typically have ample job access, quality schools, and other opportunities that can be overlooked if the focus is solely upon affordable housing and transportation access.

The integration of low-income and minority households into high opportunity and white neighborhoods enables racial integration and access to resources for all income levels and ethnicities. The Gautreaux program revealed that low-income participants that moved to majority white and resource-rich suburbs of Chicago, experienced more adult employment, earned more income, and were less reliant on public assistance. Importantly for breaking cycles of poverty, their children had more educational attainment than low-income families that remained in city neighborhoods. Low-income households can realize long-term quality of life benefits in suburban communities with numerous resources, despite the lack of public transportation.

Example of transit-rich area with low-income concentration risk

As previously stated, steering predominantly minority, low-income residents to communities solely based upon housing and transportation affordability potentially concentrates these residents in high-poverty and predominantly minority neighborhoods. Maywood is an example of an inner-ring suburban community rich with public transportation and affordable housing, but suffers from limited jobs, low-performing schools, and racial and low-income concentration.

Maywood is a western suburb of Chicago with residential population shares of 73.6% Black, 3.9% white, 20.9% Latino and 0.1% Asian. Maywood has Metra commuter rail stops. The CTA provides rail service on the Blue Line, which terminates just east of Maywood. Residents can also utilize the Pace bus service to travel between suburbs, within the community, and to connect to the central city. The median household income is \$45,818 and 13.7% of families are below the poverty level. The median cost for a home is \$181,500 and the median rent is \$896. The most recent high school statistics in Maywood show that the dropout rate is 8.2%, truancy rate is at an

alarming 26.3%, graduation rate is 88.3%, and the average composite ACT score is 15.6. In the village of Maywood, 14.9% of residents are unemployed and the main employment hub, Loyola Medical Center, typically recruits talented people from outside throughout the region, thus their employees typically do not reside in the Village of Maywood. Although public transportation and affordable homes are in abundance in Maywood, additional resources to support residents are scarce.

North Lawndale is a Chicago west side neighborhood that is also adjacent to Cicero, IL. The demographics based upon averaged census tract data are 6% Latino, 91.1% Black, 1.8% white, and 0.6% Asian. North Lawndale receives rail service on the Green, Blue, and Pink Line; residents can also utilize the CTA bus system throughout the community. The median household income is only \$13,302, far below the national average and 32.7% of families in North Lawndale fall below the poverty level. The median household cost for a home is \$208,920 and the median rent is \$834. The local high schools, Manley Career Academy and Collins High School, experience an extremely high truancy rate of 62.5% and a dropout rate of 12.8%. Only 70.5% of high school students graduate in this community and the average composite ACT score is 14.5. To illustrate the education disparity in North Lawndale, the minimum composite score needed for public 4-year institutions is 19.2 and 20.2 for private 4-year institutions. There are limited employment hubs in North Lawndale with the exception of the Lawndale Christian Health Center. Similar to Loyola Medical Center, this organization recruits specialized employees within the medical field from the broader region.

Examples of potentially overlooked opportunity areas

On the opposite end of the spectrum, directing low-income residents away from communities without extensive affordable housing and public transportation can overlook areas with access

to opportunity, which can lead to a high quality of life. Two examples, Palatine and Des Plaines, have limited public transportation and affordable housing, but offer numerous job options, high-performing schools and the opportunity to develop racial and socioeconomic integration.

Palatine is a suburb of Chicago with community demographics that are 3% Black, 67.6% White, 16.3% Latino, and 11.5% Asian. Only 5% of residents commute to work by public transit, which could be attributed to Metra being its only rail option. The median household income is \$74,060 and only 6.5% of families fall below the poverty level. The median cost for a home is \$312,400 and the median rent is \$1,010. In Palatine, 5.8% of residents are unemployed and residents have numerous career options through the JP Morgan Chase payment processing center and the headquarters for Weber-Stephen Products Co., which manufactures Weber Grill, and the headquarters for Square D, one of the largest circuit breaker makers in the United States. The statistics for the two local high schools in Palatine reveal that their truancy rate is 1.05%, dropout rate is also at 1.05%, graduation rate is 93.9%, and their average composite ACT Scores is 23.85 in 2009.

Des Plaines is a northwestern, inner ring suburb of Chicago with racial demographics of 1% Black, 70.3% White, 16.0% Latino, and 11.1% Asian. The community has the Metra as their rail option and only 6.4% of residents commute through public transportation. The median household income is \$60,875 and 4.0% of families fall below the poverty level. The median home value is \$285,100 and the median rent is \$928. The local high school has a dropout rate of 2.4%, truancy rate of 0.3%, graduation rate of 95.3% and average composite ACT Score of 21.6. Des Plaines has an unemployment rate of 6.4% and residents have numerous career options through their largest employer, Universal Oil Products (1,900 employees), and other companies including Holy Family Medical

Center, Juno Lighting, Sysco, China Airlines and Abbott Molecular.

Forest Glen is a neighborhood, located in the northern part of Chicago with community demographics which are 13.6% Latino, 74.1% white, 1.6% Black and 10% Asian. Forest Glen has a Metra stop; however, there are no CTA rail stops in this neighborhood, despite its locale in Chicago. CTA bus service provides public transit to the area and 13.1% of residents utilize public transit for work. The median household income is \$85,663 and only 4.4% of families fall below the poverty level. The median cost for a home is \$460,925 and the median rent is \$1,045. In Forest Glen, 5.5% of residents are unemployed. There are numerous job options for Forest Glen residents due to its close proximity to northern suburbs including employment with the O'Hare International Airport, Allstate Arena in Rosemont, Rivers Casino in Des Plaines, and the Lincolnwood Town Center in Lincolnwood. The statistics for the local high school, Taft High School, shows a 22.7% truancy rate, 9.5% dropout rate, 82.1% graduation rate and an average 19.1 composite ACT score. The high school was among the few public schools in Illinois to receive a distinguished Great Schools rating of 8 out of 10.

Promoting Affirmative Transit-Oriented Development

Instead of deterring low-income residents from these high opportunity areas, governments should develop an affirmative model for transit-oriented development (TOD). This would include affordable housing development near transit stations in high-opportunity communities. It would also include investment in better transit networks to connect currently discrete resources of jobs and affordable housing. One strategy to remedy transit deserts during a time of fiscal austerity is a robust bus rapid transit (BRT) system. BRT is an efficient and cost-effective approach to transport residents without the extensive infrastructure

required for new rail lines. Enhancing the geographic range of areas with affordable housing can also entice new residents to migrate to the bus corridors, furthering the social and economic progress of the area.

Transit-oriented development seems fairly well established as a strategy for affordable housing development in high-opportunity communities. However, beyond that, the H+T model is only as effective as the investment placed in affordable transit networks. Expanding the H+T model to encourage transportation development that connects the opportunities of affordable housing and employment can provide additional mitigation for the jobs:housing mismatch. Additionally the new transportation investment may help to catalyze job opportunities and revitalization in affordable, but currently disconnected, neighborhoods.

The EI and Metra offer different levels of connectivity

Public transit is vital to connecting affordable housing and jobs. While both the EI (rail mass transit) and Metra (commuter rail) are both important modes of transportation, it is clear that the EI provides a higher level of connectivity for low-income households.

In comparison to Metra, the EI provides greater trip frequency, more flexibility, better transferability, and lower cost per trip. The EI is also vastly superior in providing transit to destinations outside the loop. A typical EI trip from one end of the system to another terminus requires only free transfer and can be complete in some cases without a transfer. Meanwhile, to get from one line to another on Metra always includes additional cost and in many cases includes a one-mile walk between stations for the transfer.

Therefore, to realize the greatest H+T benefits, increased investment in the EI is the most appropriate improvement for low-income

households. Of greatest benefit would be line extensions and an additional line connecting existing EI lines along a western arc that would pass through the City of Chicago and inner ring suburbs.

From an H+T Affordability Index to an H+T Opportunity Index

Expanding the H+T Affordability Index to match affordability with potential opportunity would provide a better and more practical model for low-income and minority households. This would include factors that promote the affirmative furthering of fair housing. This would necessarily include identifying areas with high levels of poverty, where it is unlikely to find a lack of affordable housing or, lamentably, much opportunity. Thus, the affordability of the area does not translate into increased opportunity. Instead, these areas should be identified as targets for job development and increased resources so that low-income households can live near transit and enjoy adequate employment options. Additionally, it will reduce the number of vehicle miles a resident travels each day, contributing to greenhouse gas reduction while reducing the burdens on the transportation system. The targeted reinvestment is likely to have positive effects on other opportunities as well.

It would also necessitate the identification of “transit gaps” that are necessary to connect areas with good jobs to isolated areas with affordable housing.

In higher-opportunity areas, if affordable housing near major employment cores is inadequate, there must be efforts to reduce the costs instead of suggesting that households should not move to these communities. Incentives to encourage high-opportunity suburbs to create affordable housing in their communities are necessary, as are challenges to zoning and other municipal barriers to the development of affordable housing.

Additional Criteria Should be Included in the H+T Index

The Urban Institute published an index in response to HUD's Sustainable Communities Initiative. UI's concern was that communities that are sustainable in a narrower, environmental sense might not necessarily be inclusive, and that efforts to promote environmental sustainability may come at the expense of efforts to improve low-income households' access to better social and economic opportunities. Their index focused on walkability and transit accessibility, but included opportunity indicators of school quality that comprised percentages of elementary school students proficient in state reading and math tests and percentages of elementary school students on free and reduced-price lunches. Crime included number of violent and property crimes per thousand people. Economic opportunity included the number and growth of jobs at an associate's degree level within a five-mile radius of a given census tract. Environmental quality was the sum of common chemical releases and estimated total respiratory risk from air toxins.

UI looked at inclusivity as well -- whether high opportunity neighborhoods are open to lower-income households and people of color. They analyzed this through assessing the percentage of federally assisted housing units, users of housing choice vouchers, and minority residents that have access to the neighborhoods defined as high opportunity.

This more comprehensive set of factors takes H+T affordability into account as one factor among other equally important factors in promoting equitable opportunity for low-income and minority households.

Connecting H+T to the Opportunity Index

In consultation with John Powell, the Leadership Council for Metropolitan Open Communities pioneered a model "Opportunity Index" that

demonstrated the inverse correlation of high percentages of minority households and the presence of opportunity. The study and its antecedents repeatedly show that affordable housing is predominantly isolated in communities of color while white communities with high performing schools, sustained employment, necessary transportation infrastructure, childcare, and citizen participation had very few affordable housing options. The Opportunity Index measured the level of opportunities available in area communities and the extent to which they were accessible to people across the socio-economic spectrum, by race and income. The intention was to operationalize the idea of opportunity-based housing and develop an index to serve as an analytical tool for barriers to opportunity and as an organizing and advocacy tool for people concerned about equity at the community, regional, and state levels.

The specific variables of analysis included fiscal disparities within property and sales tax capacity, percentage of population school age and over 65, and day care slots. The study also considered transportation and jobs that focused upon the mean travel time to work, proportion of population near transit, transportation efficiency index, jobs within 10 miles, and changes in jobs. A factor for quality of life included low birth rate percentages, cases of asthma/hypertension per capita, voter participation rates, polluted sites, park land per capita, housing value changes, violent crimes per capita, and non-violent crimes per capita. An education factor included average ACT scores, graduation rates, Limited English Proficiency rates, mobility rates, and truancy rates.

Conclusion

Genuine advocacy for affordability requires addressing transportation, housing costs, and fair housing. Incorporating fair housing metrics and transportation development elements into the H+T Affordability Index creates a

meaningful strategy to vigorously and systematically promote racial integration and de-concentrations of poverty that will generate the desired outcomes of regional equity,

sustainability, and competitiveness. With the inclusion of an affirmative emphasis, the H+T Affordability Index has the capacity to play a constructive role in this effort.

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The Oak Park Regional Housing Center (OPRHC) is a 501(c)(3) non-profit organization founded in 1972 offering free services to housing seekers and housing providers. The primary service area is Western Cook County however, services are available to people throughout the Chicago region. The OPRHC provides apartment referrals, technical assistance to property owners and managers, homeownership counseling, fair housing policy analysis and fair housing training and education.