“Envisioning Racially Just and Opportunity-Based Housing for the Chicago Region”

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Leadership Council
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Executive Summary

Over the past three and a half decades, the Leadership Council for Metropolitan Open Communities has struggled against segregation and discrimination in housing through legal action, housing counseling, education, and advocacy efforts. The Council has waged significant battles and made substantial gains not only for residents of Chicago but also for stakeholders throughout the nation. Chicago has served as a crucible for change in fair housing policy and advocacy.

The Council was created at a time when neighborhood segregation limited access to important opportunities for people of color. The landscape has changed considerably since the initiation of the Gautreaux litigation and the origination of the Council, and these shifts have created a demand for the adoption of new frames for civil rights advocacy:

- The affordable housing crisis spans not just cities but metropolitan regions, and is national in scale, as a result of declines in private housing stock and the changed federal role in housing, including the shift away from housing production and the emphasis on demolition of housing without adequate replacement.

- Poverty has become increasingly geographically concentrated in this nation’s metropolitan regions, located in the central city and declining suburbs rather than dispersed throughout the region. The increase in isolation of poverty in the Chicago region outpaces the national average.

- Metropolitan regions are increasingly racially “diverse” but residential segregation persists. The landscape for fair housing work is textured by further white depopulation of the central city and the continuing segregation of people of color in the central city and economically declining suburbs. Jurisdictional segregation has largely replaced neighborhood-level segregation in this nation’s metropolitan regions. The Chicago metropolitan region remains highly racially segregated.

- Whites and people of color are not only moving in different geographical directions, they are experiencing different levels of access to and benefits from important opportunities such as public education, employment, and wealth accumulation. The operative divide is no longer city versus suburb; it is one of access to opportunity versus isolation from opportunity. Municipal tax base disparities in the Chicago region, and in regions across the nation, are one indicator of this shift.

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Making Opportunity-Based Housing a Reality

In order to create the opportunity for people with low incomes to live and prosper in all areas of the region, it is important to think of housing needs from a regional perspective. It is essential to have the input of communities of color in a regional analysis of housing, and soliciting this input should be a key component of any form of regional housing assessment. Adopting this frame of analysis and applying political pressure can result in policies and laws that promote the development of affordable housing throughout the metropolitan area. Steps to take include:

Conducting a regional analysis of barriers to opportunity-based housing, with the full and meaningful participation of communities of color;\(^4\)

Creating a genuine space for the voices and interests of communities of color in regional assessments and planning through the development of a racial and economic impact assessment process;

Classifying affordable housing as infrastructure, as proposed by a study commission in Florida. That is, as a necessary component of and precursor to other development, in the same way that sewer lines and roads are precursors to other development;\(^5\)

Enacting a law mandating that each municipality within the region account for its share of the existing and anticipated regional affordable housing need, such as that in place in California;\(^6\) and

Forging alliances between civil rights organizations and other stakeholders in pursuit of opportunity-based housing, such as the coalition in the Twin Cities region that lobbied for and won the enactment of an inclusionary zoning law.\(^7\)

When considering how to address the need for affordable housing, it is important to consider strategies that will increase the supply of such housing and to consider how this new housing can be tied to opportunity. When a consideration of location is absent, the potential for exacerbating the effects of concentrated poverty or of creating new pockets of poverty and limited opportunity is heightened. It is also imperative that housing solutions account for the different needs of the low- and moderate-income population. Steps to take could include:

1) Enacting a regional inclusionary zoning law such as that in place in Montgomery County, Maryland;


\(^6\) For a description of this type of law in California, see Brian Augusta, Building Affordable Housing from the Ground Up: Strengthening California Law to Ensure Adequate Locations for Affordable Housing, 39 Santa Clara Law Review 503, 509 (1999)

\(^7\) Interview with Russ Adams, Director, Alliance for Metropolitan Stability. See also Minn. Stat. Ann. § 473.255.
2) Promoting employer-assisted housing that is targeted to low-income workers;

3) Seeking municipal adoption, throughout the region, of ordinances providing for: linkage fees; tandem housing; fast track review processes for affordable housing development proposals; and fee waivers;

4) Fighting for the revision of exclusionary zoning policies;

5) Protecting the rights of original residents of gentrifying areas of the region, through: the expansion of property assessment relief; adoption of rent control laws; enactment of relocation expense laws; and through an ongoing assessment of gentrification, such as that conducted by Urban Habitat in the San Francisco region.

The Chicago region must aggressively pursue opportunity-based housing in place of the current public, subsidized, and affordable housing policies. Conceptually, clarity must be brought to an agenda for opportunity-based housing in the Chicago region. Tensions between jurisdictions, stakeholders, and constituencies must be recognized and addressed. What is apparent is that no single city in the region can solve the housing problems, and no single organization can halt the forces of segregation, concentration of poverty, fragmentation, and gentrification. But the Leadership Council is uniquely suited to truly open this discussion and take a central role in the struggle that lies ahead.

8 See J. Elvery and J. Harris, Community Organization Resists Gentrification Through Tax Assessment Campaign in West Town Community, PRAGmatics (Summer 1993).
11 See Urban Habitat, There Goes the Neighborhood: A Regional Analysis of Gentrification and Community Stability in the San Francisco Bay Area (1999).
Introduction

The Leadership Council for Metropolitan Open Communities celebrates its 35th anniversary at the beginning of a new era for civil rights. While traditional forms of discrimination persist and continue to produce harmful results for people of color, it is increasingly necessary to turn attention and energy to the racially unjust ordering of resources in our metropolitan regions. It is incumbent upon civil rights advocates to confront those laws, policies, and practices that isolate people of color in the metropolitan region from political power, meaningful education, sustaining employment, and, long the cornerstone of civil rights efforts, affordable housing.

When public housing was first constructed in Chicago in the 1940s, the landscape was one of neighborhood level racial segregation. African Americans relocating to Chicago from the south as part of the Great Migration faced strong, often violent, resistance to entering white neighborhoods in Chicago. The housing supply in the South Side of the city could not match the need for housing. Affordable housing in other areas of the city was locked out for African Americans because of a system of racial discrimination. In response, the city began a decades-long project of segregating African Americans in public housing structures in the city.

The Leadership Council was created to break this legacy of racial segregation in housing. To advance open housing, during its history the Council has engaged in legal action, housing counseling, education, and advocacy efforts. In the early 1990s, an independent review panel observed:

[T]he Leadership Council has had significant success in opening housing opportunities more broadly, in establishing a new base of equity under law and in government practices, in educating the real estate industry as to the bad effects of some of its actions and holding it to higher ethical standards, in bringing people of goodwill together around their principles, in helping local governments and in assisting communities to avoid flight with change. They demonstrate that key actions can be successful with patience and perseverance.

In administering the Gautreaux housing mobility program, which gave residents of Chicago's public housing the option of relocating to suburban areas, this civil rights agency facilitated not only entry to housing in areas of the Chicago region that had been inaccessible to low-income people of color, but improved life outcomes for those who chose to move. Educational attainment and employment levels are two areas in which families who moved experienced positive outcomes.

The context for undoing racial segregation in housing has shifted since the creation of public housing in the Chicago region and yet some central obstacles to fair housing remain. There has

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15 See Leonard Rubinowitz and James Rosenbaum, Crossing the Class and Color Lines (2000).
never been an adequate supply of affordable housing, and this continues to severely constrain efforts to create access to housing throughout the region for people of color. Now the affordable housing deficit is regional and national in nature. Losses in private market affordable housing are compounding with a tremendous decline in federal housing creation and the more recent emphasis on demolition of housing without replacement to exacerbate the deficit.

The landscape for fair housing advocacy is now one of increased isolation of poverty. Segregation of individuals with incomes below the poverty line has increased in the last several decades across the nation. The poverty dissimilarity index measures the percentage of people with incomes below the poverty line that would have to move in order to create an even distribution of the population in poverty across the metropolitan region. Nationally, 32.9 percent of poor people would have had to move to create evenness of poverty in 1970, but this percentage had increased to 36.4 by 1990. In the Chicago region, the poverty segregation level was 41.5 in 1970, 48.5 in 1980, and 49.8 as of 1990 – an increase of 8.3 percentage points. As discussed below, this degree of economic segregation, though increasing, remains far lower than the degree of racial segregation in Chicago and many other metropolitan regions.

Fair housing advocates around the country increasingly find themselves in more racially plural metropolitan regions as well. As of the 2000 census, whites made up the majority of residents in only 52 of the nation’s 100 largest cities, compared to 70 cities ten years ago. The city of Chicago was majority people of color in 1990, and remained so as of the 2000 census. The Chicago region as a whole remains majority white.

At the same time that the white populations in this nation’s cities have decreased, Latino, African American, and Asian American populations have continued to grow, with particularly notable increases in the size of the Latino population. As these maps of racial change show, this is true of the Chicago region as well. The African American population in the Chicago region grew from 1,410,337 in 1990 to 1,575,173 in 2000 and the Hispanic population increased from 819,676 to 1,416,584. Meanwhile, the white population fell from 4,916,250 to 4,798,533.

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18 White as a term here and throughout the article refers to Non-Hispanic whites.
Chicago Area: Change in Asian/Pacific Islander Population 1990 to 2000

Change in Asian-Pacific Islander Population*
1990 to 2000

-240 to 0
0 to 400
400 to 1,400
1,400 or more

Boundaries are municipalities.
*Asian and Native Hawaiian/Pac. Isl. multiple race respondents were aggregated using the deterministic equal fraction method.
INSTITUTE ON RACE AND POVERTY
Data: 1990, 2000 U.S. Census
Chicago Area: Change in African American Population
1990 to 2000

Population Change for African Americans*
1990 to 2000

-250 or Less
-250 to 0
0 to 400
400 to 1,400
1,400 or more

Boundaries are municipalities.
*African American multiple race respondents were aggregated using the deterministic equal fraction method.

INSTITUTE ON RACE AND POVERTY
Data: 1990, 2000 U.S. Census
Although overall numbers suggest increasing racial “diversity,” or representation of various communities of color, this perspective masks the continued racial segregation that characterizes metropolitan regions in this nation. According to analysis by the Lewis Mumford Center for Comparative Urban and Regional Research:

The 2000 Census shows little change in community integration despite growing ethnic diversity in the nation. The average white person continues to live in a neighborhood that looks very different from those neighborhoods where the average black, Hispanic, and Asian live. For example, the average white person in metropolitan America lives in a neighborhood that is almost 83% white and only 7% black. In contrast, a typical black individual lives in a neighborhood that is only 33% white and as much as 54% black. Diversity is experienced very differently in the daily lives of whites, blacks, Hispanics, and Asians.25

The Chicago region, while growing in racial “diversity,” is highly residentially segregated by race. Eighty percent of African Americans would have to move in order to create an even distribution of the African American and white populations, employing the dissimilarity index.26 In order to create an even distribution of whites and Hispanics, 62 percent of Hispanics would have to move.27 These levels of racial segregation are only slightly lower than in 1990, when the index was 84 for African Americans and 63 for Hispanics. Note that these segregation levels are much higher than those for individuals in poverty of all races, given above. In fact, Chicago was the 5th most racially segregated metropolitan region in 2000, as measured by the dissimilarity index.28

Jurisdictional segregation by race is not simply a result of the differing income levels among whites and people of color, but is a product of a host of discriminatory and subordinating practices and policies.29 Research has shown that, if income were the only determining factor of where people live, the Chicago region would look very different than it does. According to the Black, White, and Shades of Brown report, only 12 out of 117 communities in Chicago have close to the percentage of African American residents that they should have when income is controlled for. Instead, African Americans are under-represented in many communities and over-represented in others. For Hispanic households, 10 municipalities had close to the predicted percentage.30

Whites’ departure from the city and the movement of Latino households, and now more African Americans to the suburbs, has not resulted in economic equilibrium in this nation’s regions either. Rather, whites and people of color are not only moving in different geographical

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29 For a discussion of the ways in which governmental policies have produced segregation, see, generally, Douglas Massey and Nancy Denton, American Apartheid: Segregation and the Making of the Underclass (1993).
30 See Michael Leachman, Phil Nyden, Bill Peterman, and Damell Coleman, Black, White, and Shades of Brown 25 (February 1998) (commissioned by the Leadership Council for Metropolitan Open Communities).
directions but they are experiencing different levels of access to and benefits from important opportunities such as public education, employment, and wealth accumulation, including homeownership in appreciating housing markets. It is now the metropolitan region, and not merely the city, that is divided by both race and income.

A consequence of residential segregation and economic isolation at the jurisdictional level is that municipalities with the greatest needs have the fewest resources. Because of the intersection of racial and economic segregation, cities with the largest populations of color tend to have the lowest tax base capacity at the same time that they experience “higher social service costs, declining residential tax bases, increased infrastructure maintenance costs, and sometimes less efficient government.”31 These maps of the tax base disparities in the Chicago region show the different resources available to differing parts of the region.

Chicago Area: Per Capita Tax Base for Minor Civil Divisions 1998

Per Capita Tax Base 1998
- $1 to 8,000
- $8,000 to 13,000
- $13,000 to 28,000
- $28,000 to 50,000
- $50,000 to 218,000
- No Data

Data: 1998 Cook, Dupage, Lake, and Kane County Clerks' Offices
The following maps of the current distribution of white, African American, and Hispanic populations show that the jurisdictions that have lower than average tax bases tend to be the same jurisdictions with greater populations of color. That is, municipal resources follow racial and jurisdictional lines in the Chicago region.
These emerging racial and economic patterns change the context in which the Leadership Council celebrates its anniversary. Civil rights advocates could once describe the landscape as that of white suburbs and a minority central city. The landscape for advocacy on housing and other racial justice issues is now textured by the appearance of high poverty and racial segregation in areas outside of the central city and some gentrification of city neighborhoods, or in the extreme, entire cities. I suggest that gentrification, with its displacement of low-income residents, and concentrated poverty are not opposite trends, but operate similarly in pushing low-income people of color away from resources and vital institutions. Displaced low-income families are given no other option in today's housing market than to relocate to other areas where affordable housing exists, and these areas are more often than not, as a result of regional forces, also unstable, declining, and/or economically isolated.

I assert here that housing is an important element of a web of other structures that impact on the life outcomes of residents of the metropolitan region. While providing shelter is a vital function of housing, housing is more than this. By its location and mix, it can enhance or impede access to other opportunity structures. Attaining stable, affordable housing in a vibrant area contributes greatly to improvements in other key life areas, such as employment, health, education, civic engagement, and wealth creation. Being denied access to affordable housing, or being given access to housing only in areas isolated from opportunities, has very negative impacts on these other areas. The experience of low-income people of color has largely been the denial of attainment of affordable housing, with clearly troubling results for success in employment, school, health, and other areas. I will explore these connections here from a national perspective, but with emphasis on the trends in the Chicago region.

A model that I propose for moving forward in the coming years on fair housing is opportunity-based housing. This model is based on the understanding that housing is a component of a larger set of interrelated structures that are both affected by housing and have impacts for the attainment of safe, stable housing. It is driven by the reality that ensuring housing results in improvements in other life areas. This model suggests that the creation and preservation of affordable housing must be deliberately and intelligently connected to high performing schools, sustaining employment, necessary transportation infrastructure, childcare, and institutions that facilitate civic and political activity. This means both pursuing housing policies that create the potential for low-income people to live near existing opportunity and pursuing policies in housing and other areas that tie opportunity creation in other areas to existing and potential affordable housing. Simply put, opportunity-based housing deliberately connects housing with the other opportunities in a region and recognizes that opportunity is not evenly distributed within a region. As Darshan Johal asserts:

Housing is treated by many policy-makers simply as another commodity to be provided by the market, but this misses the point - although it certainly is a valuable economic asset, housing has much wider economic, social, cultural and personal significance. Decent housing contributes much to personal health and well-being, confidence and security; the ways in which housing is produced and exchanged have an impact over development goals such as equity and poverty-eradication[.] In all these areas, housing stands in reciprocal relationship with wider issues - both influencing and being influenced by the pursuit of economic growth, sustainable development and human security. Policy
towards housing can only be effective when it is integrated into a wider development policy framework which can ensure coherence between different levels, sectors and instruments.\textsuperscript{32}

I want to be clear that in suggesting the metropolitan region be the unit of analysis for civil rights in the urban context, and by articulating the need for affordable housing throughout metropolitan regions, I am not advocating a housing dispersal strategy. That is, I do not advocate the forced relocation of families to new neighborhoods or cities. There are significant costs to forcing people to move and these costs are extremely high when people are forced to move without adequate opportunity to find housing elsewhere. When a community is disrupted, the resulting costs can include the loss of political power, and disruption of the social fabric and sense of place enjoyed by communities of color. Policies and programs that force people to move should be considered very cautiously. This does not mean that we simply accept the status quo, however. Current residential patterns must be understood in the context of past and continued housing discrimination and a lack of affordable, opportunity-based housing throughout the region. In light of these realities, it would be improper to assume that current residential choices are an uncoerced reflection of choice.

Indeed, according to survey data from 1991-1997, 31 percent of African Americans and 42 percent of Latinos would choose to live in the suburbs of Chicago.\textsuperscript{33} As of 2000, however, African Americans make up only 8.8 percent of suburban Chicago residents and Hispanics comprise 11.2 percent.\textsuperscript{34}

While residential choice should be opened up for people of color, in order to promote fair access to housing opportunity, “choice” should not be the sole defining principle of a regional housing strategy or plan. Prioritizing the idea of universal choice can obscure the legacy and persistence of racial discrimination in housing and falsely suggest that there is now a “level-playing field” in the housing market. This is the notion that merely opening up choices for all residents of the Chicago region will result in access to affordable housing for people of color in viable areas. Instead of dispersal, and in place of universal choice, racial and economic justice should be the organizing principle behind housing policy. In other words, for fair housing to be achieved, housing must be tied to other opportunities, made available throughout the region, targeted to the needs of families of color in affordability and design, and actively marketed to families of color.

In the history of this nation, there has never been a meaningful, national commitment to connecting housing affordable to low-income people of color with other opportunities. But the central goal of civil rights advocacy, giving full citizenship to all members of this society, demands that we strive for the realization of this model. In fact, any real sense of fairness compels such an effort.


Opportunity-Based Housing

The first principle of opportunity-based housing is that residents of metropolitan regions are situated within a complex, interconnected web of opportunity structures that significantly shape their quality of life.

The term “opportunity structures” refers to those resources and services that contribute to individual and family stability and advancement. Opportunity structures conceived in a limited sense are those minimum requirements or supports needed for people to achieve an acceptable level of health and stability. For example, shelter is a minimum requirement for stability. More expansively, opportunity structures are the vehicles for racial and economic fairness for all residents of the region. If all children are able to access an education that prepares them for full participation in society, for example, ours will be a more participatory and racially just nation. This is one example of a more expansive interpretation of the term.

Murtaza Syed has articulated the need to see opportunity as operating within a web. He offers this definition of poverty:

Poverty is a multi-dimensional concept. Poverty is more than just a lack of money. It is a state of deprivation of multiple needs, all of which are essential for a full and meaningful existence. Any single measure of poverty will never fully capture all of the dimensions in which poverty manifests itself.

Poverty in its broader, and perhaps truer, sense refers to a denial of opportunity. The most basic human choices are to lead a long and healthy life, to be educated and to achieve a certain level of material well-being. The denial of these basic human choices diminishes the opportunities that are available for the betterment of human lives—it is this very denial that both makes and keeps people poor.35

George Galster similarly asserts that poverty located in certain areas of a region can be tied to an array of interrelated forces. Forces that contribute to poverty, according to Galster, act in combination with each other and reinforce each other: they are “cumulative” causes of isolation from opportunity.36 These forces include segregation in housing, discrimination in the labor market, and the fragmentation of metropolitan areas into many separate units of government.37 Racial and economic inequality is then best understood as a web or bundle of causes and consequences.

A second principle of opportunity-based housing is that opportunity structures are tied to metropolitan space. That is, the geographical distribution of these structures in the metropolitan region has a strong relationship with the degree to which residents can gain access to them. However, the analysis should not be limited to sheer physical distance. In evaluating how

regional dynamics affect people of color, and low-income people of color particularly, it is important to consider the unique characteristics of these residents of the region. Access to opportunity is determined not only by proximity to sources of opportunity, it is determined by individuals’ skills, abilities, and impediments. In this sense, access to one opportunity, such as employment, is significantly affected by access to other opportunities, such as education and transportation, and exposure to particular barriers, such as racial or gender discrimination.

Given this reality, general trends of regional well being must be evaluated in light of the particular needs, capabilities, and limitations of different populations within the area. Employment growth in the region, as one example, can be considered an enhancement of opportunity in general. But a thorough consideration of the impact of employment growth would consider whether housing and other elements of the web, such as job skills and access to a car, actually turn this job growth into opportunity, into an improvement of life conditions for people of color, and low-income people of color particularly. An analysis of opportunities must also contain a recognition of the role that discrimination plays in isolating or including different populations.

Segregation functions differently for different communities of color and the special needs of various populations must be recognized in an analysis of access to opportunities. As the figures on dissimilarity by race given above showed, Latinos and other groups do not experience the severity of residential segregation that African Americans experience, though they are still segregated in the nation’s metropolitan regions. African Americans are also more likely to live in public housing than other racial groups, comprising 88 percent of all residents in housing administered by the Chicago Housing Authority, for example. These differences should inform the development of a set of strategies to create opportunity-based housing. For example, effective affirmative marketing plans might differ for Latinos and African Americans, and policies that impact public housing must be developed in cognizance of the needs and characteristics of African Americans. These are just two examples of ways in which the unique needs of and obstacles faced by differing populations of color could be attended to in an opportunity-based housing strategy.

Tied to these other principles, I assert that the reforms derived from an opportunity-based housing analysis must be responsive to more than housing concerns. Creating opportunity-based housing means extending the campaign beyond improvements in the affordable housing sphere and advocating reform of the full set of structures that create impediments to opportunity. One example would be to seek affordable and quality childcare so those children who have stable housing are able to develop important learning and social skills. Again, I turn to Darshan Johal:

Poverty cannot be eradicated by the implementation of appropriate housing policy alone, but housing and poverty are related. Inadequate housing is one of the factors that makes an individual more vulnerable to poverty and ill-health, and impoverishment usually dictates a trading down in the housing market (along with other coping strategies). Conversely, inadequate housing cannot be solved through economic growth alone[.] It is here that good policy can make a difference. The right measures can lead to improved

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housing conditions for even the poorest groups, and even help to lift them out of poverty in the process.\textsuperscript{39}

The best approach will involve adopting policies that recognize that isolation from and access to opportunity have multiple, interlocking causes and, therefore, any effective approach must anticipate the effects of these relationships and be multi-pronged. Establishing a model of opportunity-based housing, then, could begin with the following (non-exhaustive) set of questions:

1. Is housing affordable?

2. Is the housing located near employment opportunities? If so, are occupants of the housing able to access this employment? How does the housing hinder or promote sustained employment? What other policies might make this physical access meaningful?

3. Is the housing situated in proximity to transportation options? Do the residents require public transportation? If so, is public transportation frequent, safe, and affordable for residents?

4. Does the housing support school readiness? Does the housing's degree of affordability mean that students will be able to remain in the same school for meaningful periods of time? Is the housing located near schools that produce positive student outcomes?

5. Does the housing support the health of occupants? Is it safe and is it located in a safe neighborhood, free of health hazards?

6. Does the housing support the creation of wealth? That is, is it a home in an appreciating market, rather than a home in a declining market? Is it rental housing that allows for the savings that could lead to home purchase? How is wealth limited or advanced by the housing?

In sum, the analysis and the creation of a model for opportunity-based housing should involve a consideration of a host of opportunity structures, their relationships and connections, and their distribution in the metropolitan region. Importantly, the ordering of opportunities across a metropolitan region is not static. Hence, a tool for assessing the locations and relationships of opportunity structures must be flexible and open to change. One method that can be useful for assessing these relationships and tracking changes over time is mapping the siting of multiple opportunities across the metropolitan landscape.

In the following section of the paper I review obstacles to creating opportunity-based housing. I then begin to answer the questions raised above, in regards to housing in the United States and the Chicago region, looking particularly at the multiple and interrelated negative outcomes of isolation from housing opportunity.

Housing and Other Opportunity Structures

Housing plays a key role in determining access to other opportunity structures. Full access to the web of opportunity structures, in which housing is a core element, creates the possibility for a life characterized by good health, a high level of educational attainment, self-sustaining employment, and the capacity to engage in political and civic structures. Isolation from housing opportunity, and the resulting isolation from related structures, produces limitations in all aspects of life:

[T]he relationships are reciprocal: inadequate housing and unequal access to housing inputs reinforce discrimination based on social characteristics, but getting social policy right contributes to the ability of disadvantaged groups to play a full part in housing production and to ensure that housing meets their distinctive needs. Substandard housing is one factor in producing crime, violence, insecurity and alienation in cities; just as social breakdown is likely to make housing delivery systems less efficient in serving the most vulnerable.⁴⁰

In this section I examine the outcomes of isolation from opportunity structures, considering housing as a hub of opportunity access. More specifically, when families have (a) no housing, (b) high cost housing relative to household income, (c) low quality housing, and/or (d) housing that is distant from opportunity structures, they tend to face multiple obstacles to stability, health, and life improvement. These obstacles include limited access to employment, quality educational institutions, supportive childcare, and quality, affordable health care, and are linked to adverse outcomes in each of these areas. At the same time, when education, health care, childcare, and employment do not effectively serve low-income families – in terms of cost, distance, and quality – housing is endangered.

First, I briefly consider some of the forces behind this precarious interrelationship for low-income families. Then I explore the specific ways in which isolation from these opportunity structures affects families. Segregation and economic isolation have profound and multiple negative implications for people of color of all incomes, and I touch on the effect of segregation on home values in a later section of this paper, but a full treatment of the effects on middle-class African Americans is beyond the scope of this paper.

According to the United States Department of Housing and Urban Development (HUD), housing is affordable when all housing costs (rent or mortgage, utilities, property taxes, and insurance) do not exceed 30% of total household income. This 30% of income standard applies to any person or household regardless of their source or level of income. The phrase “affordable housing” commonly refers to housing that is affordable to households with low incomes. HUD defines income levels⁴¹ as follows:

• Middle Income: 80 to 120% of median metropolitan income
• Low Income: 50 to 80% of median metropolitan income
• Very Low Income: 30 to 50% of median metropolitan income
• Extremely Low Income: 0 to 30% of median metropolitan income

In 1999, the median income for a family of four living in the Chicago region was $63,800. The following table shows the percentage of rental housing at each level of affordability present in the city of Chicago, in the rest of Cook County, and in the outer counties of the region. It is clear that the city of Chicago provides far more rental housing affordable to households with low incomes than other sectors of the region.

Distribution of Rental Units in the Chicago Region by HUD Affordability Levels\textsuperscript{42}

<table>
<thead>
<tr>
<th></th>
<th>Share of Units in Chicago</th>
<th>Share of Units in Suburban Cook</th>
<th>Share of Units in Collar Counties</th>
<th>Total: All Shares in Region</th>
</tr>
</thead>
<tbody>
<tr>
<td>Extremely Low Income</td>
<td>75 percent</td>
<td>12 percent</td>
<td>14 percent</td>
<td>100 percent (125,800 units)</td>
</tr>
<tr>
<td>(0 – 30% of median)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Very Low Income</td>
<td>57 percent</td>
<td>23 percent</td>
<td>19 percent</td>
<td>100 percent (526,000 units)</td>
</tr>
<tr>
<td>(30 – 50% of median)</td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Low Income</td>
<td>43 percent</td>
<td>24 percent</td>
<td>32 percent</td>
<td>100 percent (351,000 units)</td>
</tr>
<tr>
<td>(50 – 80% of median)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Middle Income</td>
<td>88 percent</td>
<td>1 percent</td>
<td>11 percent</td>
<td>100 percent (33,200 units)</td>
</tr>
<tr>
<td>(80% or more of median)</td>
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A primary force behind the isolation of low-income families from opportunity is the affordable housing crisis. The deficit in housing accessible to families with low incomes in metropolitan regions across this nation profoundly hampers their access to both housing and other opportunity structures. As of the mid-1990s, according to the Center on Budget and Policy Priorities, the number of low-income households exceeded the number of low-cost rental units in the United States by 4.4 million, with nearly two low-income renters for every low cost unit.\textsuperscript{43}


In the Chicago region, the scale of the affordable housing need in the region is great. It was recently estimated that two low-income families compete for every unit of affordable housing in the region.44 Outside of areas characterized by high poverty and residential segregation, three low-income families compete for every unit.45

The gap between the need for and the supply of affordable housing continues to grow. This shortage is due in part to the decline in production of housing by the federal government, changed market conditions, and the failure of local government to respond to the need for housing, among other drivers. Forty thousand units accessible primarily to low-income households were lost in the region in the 1980s. Between 1990 and 1998, the region lost more than 46,000 rental units.46 By a recent estimation, there is a 113,000 unit gap between the number of units affordable to low-income households and the need for such housing.47 Part of the cause of this is the HOPE VI federal public housing policy. Congress’ goals in enacting HOPE VI to replace public housing developments with mixed-income communities of apartments and townhouses may be a step in the right direction. Its methods, however, are a cause of considerable debate and legitimate concern. The planned net reduction of over 13,000 Chicago Housing Authority units in the next decade is particularly troubling.48 HOPE VI developments create fewer units than they destroy, and many displaced families cannot afford other housing even with housing vouchers.49

Federal “section 8” housing vouchers have proven to be an insufficient substitute for public housing because of the current condition of the regional housing market in Chicago. The Chicago-area vacancy rate is 4 percent, and in the recent past rents have increased 56 percent more than the consumer price index.50 This low vacancy rate creates a “tight” housing market (HUD’s threshold for a tight market is 6 percent)51 and escalating rents increase difficulties in securing housing for voucher users. Discrimination against voucher holders also strongly limits the efficacy of this program,52 and is particularly persistent against voucher users of color.53

The destruction of public housing touched on above and the increasing emphasis on subsidies in the private rental market are trends that create particular concerns for low-income people of color. People of color are over-represented in the public housing and section 8 voucher populations. Nationally, according to a recent estimate, people of color comprise 68 percent of public housing residents and 58 percent of all residents using section 8 vouchers and certificates,54 though people of color represent only 23 percent of the total population.55

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44 See Pat Wright, The Privatization of Public Housing Leads to Affordable Housing Crisis, PRAGmatics (Summer 1998).
45 See Pat Wright, The Privatization of Public Housing Leads to Affordable Housing Crisis, PRAGmatics (Summer 1998).
47 See Michael Leechman, Phil Nyden, Bill Peterman, and Darnell Coleman, Black, White, and Shades of Brown 25 (February 1998) (commissioned by the Leadership Council for Metropolitan Open Communities).
48 See Metropolitan Planning Council, Public Housing in the Public Interest (2000).
50 See Metropolitan Planning Council, For Rent: Housing Options in the Chicago Region 7 (Nov. 1999). See Wilen, W., Stasse1, W., Gareteaux and Chicago’s Public housing Crisis: The Conflict Between Achieving Integration and Providing Decent Housing for Very Low-Income African Americans, 34 Clearinghouse Rev. 117 (2000).
51 See Metropolitan Planning Council, For Rent: Housing Options in the Chicago Region 7 (Nov. 1999).
52 See Susan J. Popkin and Mary K. Cunningham, Searching for Rental Housing with Section 8 in the Chicago Region (2000) (paper prepared for the Urban Institute).
Chicago, these percentages are even higher. People of color comprise 91.5 percent of all residents of housing administered by the Chicago Housing Authority. Across the Chicago metropolitan region, people of color represent the vast majority of section 8 tenants: an average of 72 percent of tenants with section 8 vouchers administered by housing authorities in the region. People of color represent 42 percent of all residents of the Chicago region. Moving forward on opening fair access to housing opportunities requires that these shifts in public and subsidized housing policy be contended with.

The need for housing is increasing in the Chicago region even as the number of units is falling. It is predicted that 300,000 new units will be required to accommodate the growth in workers anticipated by the year 2020 in the Chicago region.

While a tight housing market constrains access to housing opportunity for all residents of the region, it has a particularly pernicious effect on residents of color of all incomes because of racial discrimination on the part of landlords, lenders, and other agents. Racial discrimination continues to limit access to housing for people of color in the Chicago region, and makes the housing market doubly constrained for residents of color.

Isolation from other opportunity structures is also created by the concentration of existing affordable housing in the central city and inner-ring suburbs. This is because multiple opportunity structures have moved further out of the city, and this relocation creates a spatial divide between affordable housing and other opportunities. People with lower incomes tend to rent housing. Forty-four percent of renters in the nation have incomes below 50 percent of the area median income, compared to 20 percent of homeowners. Rental housing in the Chicago region, particularly affordable rental housing, as in most metropolitan regions, is located disproportionately in the center of the region (see table above).

The under-representation of rental housing in counties other than Cook has strong negative implications for opening access to housing throughout the region, because people with lower incomes tend more to rent housing. Housing that can be accessed by entry level workers and other individuals with low incomes is sited almost exclusively in certain neighborhoods of the city of Chicago, and in inner-ring suburbs to the south of the city.

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57 See Janet L. Smith and Barbara Sherry, Estimating Demand for Affordable Rental Housing in the Chicago Region (1999) (citing U.S. Department of Housing and Urban Development, Picture of Subsidized Housing (1998) (People of color represent 92 percent of voucher holders administered by the Park Forest authority; 98 percent by the North Chicago authority; 74 percent by Oak Park; 54 percent by DuPage; 72 percent by Elgin; 76 percent by Aurora; 40 percent by Lake County; 99 percent by Maywood; 90 percent by Waukegan; 77 percent by Cook County; 89 percent by Joliet; and 96 percent by the Chicago Housing Authority)).
60 See Michael Leschman, Phil Nyden, Bill Peierman, and Darnell Coleman, Black, White, and Shades of Brown 25 (February 1998) (commissioned by the Leadership Council for Metropolitan Open Communities).
When programs destroy affordable housing and do not ensure its replacement in proximity to opportunity structures, particularly in the context of an affordable housing deficit, they contribute to gentrification. And, thus, they contribute to isolation from opportunity structures. Gentrification, like concentrated poverty, is the converse of opportunity-based housing.

When gentrification occurs in a middle-class city it is likely to be a city-level phenomenon. A survey of housing stakeholders in the Chicago region revealed that those areas experiencing increased investment, rehabilitation of properties, and an influx of higher income residents were neighborhoods within the city of Chicago, including Near West Side and Kenwood-Oakland. What this city-level change means is that those residents who are displaced will find it very difficult to find housing within the city, and they may be forced to relocate to poor areas outside of the central city, often on the periphery, yet still, largely, within the region itself. Such trends can relocate areas of isolation, disrupt communities, and create segregation on an inter-jurisdictional level. This segregation is more problematic than neighborhood level segregation because of the consequences that it can have for the tax base and public services of an area. But neither can a middle-class city address the need for affordable housing alone. In part this is due to the fact that few cities, if any, possess the resources necessary to meet their region’s need for affordable housing. Beyond that, an attempt to do so will set such a city in the direction of becoming a poor city with limited resources and growing public service needs. Gentrification is clearly not the solution for concentrated poverty. By the same token, placing the burden of affordable housing production on the central city alone is not the cure for the ills of gentrification. Creating opportunity-based housing means confronting the ways in which gentrification constrains the availability of housing and operates like concentrated poverty in isolating low-income residents from other opportunity structures.

Related to these other trends, jurisdictional fragmentation has very negative implications for the creation and siting of affordable housing. Fragmentation is a term that refers to the proliferation of separate political jurisdictions, with autonomous control over zoning and planning among other issues, in a metropolitan region. In fragmented regions, cities often exclude affordable housing, and thereby both reduce the overall affordable housing supply and limit the access of low-income residents of the region to other important opportunity structures. One study found that higher levels of political fragmentation result in less collaboration between municipalities on public housing and community services as well.

In fragmented regions, affordable housing is relegated to the municipalities with lower tax bases and a higher need population – municipalities that lose out in this metropolitan competition for high property values. The result of fragmentation and exclusionary policies is that regions with higher degrees of fragmentation have higher levels of racial segregation and economic

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89 See John a. Powell, Sprawl, Fragmentation and the Persistence of Racial Inequality: Limiting Civil Rights By Fragmenting Space (forthcoming chapter in Urban Sprawl: Causes, Consequences, and Policy (Gregory Squires, ed.))
91 See Cameron Y. Yee and Julie Quiroz-Martinez with Torri Estrada and Catalina Garzon, There Goes the Neighborhood: A Regional Analysis of Gentrification and Community Stability in the San Francisco Bay Area 17 (1999) (paper of the Urban Habitat Program).
92 See Stephanie Shirley Post, Metropolitan Area Governance Structure and Intergovernmental Cooperation: Can Local Governments in Fragmented Metropolitan Areas Cooperate? 13 (2000) (paper delivered at the American Political Science Association annual meeting).
93 See David Rusk, Cities Without Suburbs (1993).
This is particularly pertinent in a discussion of the Chicago region, which is highly fragmented, comprised of “over 265 communities and 1,200 local taxing districts.” Fragmentation is a force that greatly contributes to housing problems in the Chicago region; this suggests that one city alone cannot respond to the housing needs of the metropolitan region, rather that a regional approach to housing is necessary.

**Housing and Other Key Opportunity Structures**

I turn now to an examination of the ways in which housing interrelates with the opportunity structures of wealth, employment, transportation, health, and childcare. I conduct this analysis in order to show how the connections between these structures are often broken or made tenuous for low-income families, particularly low-income families of color, and to clarify the need for a coordinated, multi-dimensional approach to creating opportunity-based housing.

**Housing and Wealth**

Wealth is an opportunity structure with important implications for access to other opportunities, and housing and wealth strongly interrelate. Homeownership is the primary source of wealth for most Americans and thus it can provide economic opportunity. Access to other opportunity structures, such as employment and education, can influence the ability of individuals to purchase homes and gain home equity. Homeownership and home equity, in turn, can open the door to other opportunities by providing access to capital.

Though homeownership creates access to many opportunities, its capacity to produce home equity for people of color is often limited by regional forces. For example, the degree of racial segregation in a metropolitan region affects the value of homes owned by African Americans. Of all metropolitan regions with large populations of African Americans, the most segregated regions produce much lower home values for African Americans than for whites. This is true in Gary, Detroit, Chicago, and other highly segregated regions. According to 1995 data from the U.S. Census, the average home value for African Americans in the Chicago region was $64,100, while the value for whites was $118,900. In contrast, in the least segregated metropolitan regions, African American home values are much closer to those of whites.

Michael Leachman and Philip Nyden examined 1990 data to determine “control” of housing value within the Chicago region by race. That is, control in terms of the percentage of total housing owned and the percentage of total housing value controlled in the region by a particular racial or ethnic group. These researchers found that whites not only owned a disproportionately

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97 See United States Census Bureau, Housing in Metropolitan Areas – Black Housing (1995).

98 See United States Census Bureau, Housing in Metropolitan Areas – Black Housing (1995).
high percentage of housing units in the Chicago region but that the value of the housing owned by whites was higher than that housing owned by African American households. Whites owned 85 percent of housing and controlled 91 percent of housing value, while African Americans owned 11 percent of housing but controlled only 5 percent of total value. Nyden and Leachman found that the mean value of homes owned by whites in 1990 was $107,297 while it was $48,269 for African Americans and $55,906 for Hispanics.

There are also locational differences by race. African Americans and Hispanics comprise a smaller percentage of home purchasers than whites across the entire Chicago region, but they represent a particularly small percentage of purchasers in regional counties other than Cook County. The following table shows the percentage of homebuyers in each location by race. It reveals that white home purchasers greatly predominate in suburban counties.

### Home Mortgage Starts, Chicago and Metropolitan Counties, by Race, 1997

<table>
<thead>
<tr>
<th>County</th>
<th>Whites</th>
<th>African Americans</th>
<th>Hispanics</th>
</tr>
</thead>
<tbody>
<tr>
<td>City of Chicago</td>
<td>41.7%</td>
<td>25.4%</td>
<td>15.3%</td>
</tr>
<tr>
<td>Cook County</td>
<td>54.9%</td>
<td>18.0%</td>
<td>10.6%</td>
</tr>
<tr>
<td>Suburban Cook</td>
<td>66.1%</td>
<td>11.7%</td>
<td>6.7%</td>
</tr>
<tr>
<td>DuPage County</td>
<td>77.2%</td>
<td>1.6%</td>
<td>3.6%</td>
</tr>
<tr>
<td>Lake County</td>
<td>77.2%</td>
<td>3.2%</td>
<td>5.9%</td>
</tr>
<tr>
<td>Kane County</td>
<td>74.7%</td>
<td>2.5%</td>
<td>11.3%</td>
</tr>
<tr>
<td>McHenry County</td>
<td>86.9%</td>
<td>0.3%</td>
<td>2.3%</td>
</tr>
<tr>
<td>Will County</td>
<td>77.5%</td>
<td>6.0%</td>
<td>3.8%</td>
</tr>
</tbody>
</table>

Those families that do purchase homes in Chicago and Cook County are more likely than purchasers in all other regional areas to purchase homes in low-income tracts and minority tracts, as this next table shows.

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100 See Michael Leachman and Philip Nyden, Housing Discrimination and Economic Opportunity in the Chicago Region 22 (January 2000) (report to the Human Relations Foundation of Chicago).
Home Mortgage Starts, Chicago and Metropolitan Counties, by Minority Tract and Low-Income Tract, 1997\textsuperscript{102}

<table>
<thead>
<tr>
<th></th>
<th>Minority Tract</th>
<th>Low-Income Tract</th>
</tr>
</thead>
<tbody>
<tr>
<td>City of Chicago</td>
<td>49.0 percent</td>
<td>49.4 percent</td>
</tr>
<tr>
<td>Cook County</td>
<td>27.4 percent</td>
<td>26.4 percent</td>
</tr>
<tr>
<td>Suburban Cook</td>
<td>9.2 percent</td>
<td>7.1 percent</td>
</tr>
<tr>
<td>DuPage County</td>
<td>0.0 percent</td>
<td>0.0 percent</td>
</tr>
<tr>
<td>Lake County</td>
<td>3.8 percent</td>
<td>7.0 percent</td>
</tr>
<tr>
<td>Kane County</td>
<td>4.8 percent</td>
<td>7.1 percent</td>
</tr>
<tr>
<td>McHenry County</td>
<td>0.0 percent</td>
<td>0.0 percent</td>
</tr>
<tr>
<td>Will County</td>
<td>5.6 percent</td>
<td>6.4 percent</td>
</tr>
</tbody>
</table>

Research on African American homeownership in the 1990s conducted by the Woodstock Institute revealed that while increasing numbers of African Americans were able to purchase homes in the Chicago region, home buying is concentrated in clusters in the west side of the city, the south side, western Cook, and southern Cook.\textsuperscript{103}

Survey data show that households of color who own homes in the region do not perceive their homeownership to create wealth to the extent that white households do. When asked whether they considered their homes to be a good investment, 57 percent of African Americans stated that they consider their homes a good investment, compared to 68 percent of Latinos and 82 percent of whites.\textsuperscript{104} For wealth to be created, and homeownership to be a means of accessing other opportunity structures, homes must be located in economically viable areas. Economically segregated areas tend to have declining housing values, meaning that homeownership is not as viable a mechanism for wealth accumulation as it is in areas that are not economically segregated.

**Housing, Employment, and Transportation**

Where people live in the metropolitan region plays a significant role in their employment prospects. In this way, housing has a strong relationship with the opportunity structure of employment. Because long distances and traveling time restrain the ability of people to gain and keep jobs, people tend to choose housing in proximity to employment sites and relocate in order to be close to their places of employment. This is true when there is a choice in housing, but when affordable housing is not present near job growth, this choice dissolves.

Research over the past several decades has shown that the movement of jobs away from the central city has negative effects for residents of the city. A growing body of evidence supports

\textsuperscript{102} See Metro Chicago Information Center, HMDA Area Summary by Race, Income and Tract Type (1997) (citing FFIEC 1997 HMDA Data), available at http://www.mcic.org/htmls/hmda. The Department of Housing and Urban Development defines "minority tract" as a tract in which greater than 50 percent of residents are racial minorities. A "low income" tract is one in which the average income is less than 90 percent of the area median income.

\textsuperscript{103} See Woodstock Institute, Unfinished Business: Increases in African American Home Buying and Continuing Residential Segregation in the Chicago Region (1999).

the theory that this "spatial mismatch" affects the employment and earnings of residents of central cities. Barriers to affordable housing in areas where employment is growing, and the resultant distance between city residents and jobs, limits what should be a strong relationship between housing and employment.

Decentralization of jobs can "inhibit[] the flow of information about job opportunities, because information regarding job opportunities decreases with distance. Many jobs are discovered through informal social networks and much hiring is done on the basis of personal knowledge of job candidates or referrals. Because inner city residents do not live near suburban jobs, they may have more difficulty getting vital information about openings, as well as support during the application process."

Daniel Immergluck and Marti Wiles analyzed employment growth in the Chicago region during the period of 1991-1996 and discovered that employment continued a pattern of decentralization established in prior decades, and worsened in terms of manufacturing and retail employment. This occurred despite an overall economic expansion and net job gain for the region as a whole. While the central city lost jobs at a rate higher than that in the 1980s, including a loss of 40,000 jobs in manufacturing, outlying counties such as McHenry and Will experienced employment growth at relatively high rates.

Results of the movement of jobs to developing areas include longer terms of unemployment among African Americans who live in center cities and declining suburbs, and reductions in the wages of city or inner-ring suburban jobs due to increased competition. This reduction in income, in turn, limits the ability of African Americans to access housing.

Though there are many jobs in the central business district that are spatially accessible to African Americans and Latinos, these jobs are not accessible to many because of a skills mismatch. Jobs in the central business district more often require college degrees than jobs in any other submetropolitan area.

Research on participants in the Gautreaux mobility program demonstrates the importance of location to job attainment. In the early 1990s it was found that participants who were randomly relocated in the suburbs were 13 percent more likely to be employed than participants who were randomly located in the central city. One lesson that could be taken from that research is that tying housing to employment growth produces improved life conditions in terms of employment.


Similarly, increasing access to meaningful, adequately-paying employment can improve access to housing.

Making housing meaningful also requires assessing the ways in which proximity to, cost, and quality of transportation facilitates or fails to facilitate access to resources and opportunities. Nationally, people of color tend far more to rely on public transportation, and the distances they must travel to new jobs under a fragmented metropolitan scheme can hurt their employment prospects. “[T]he time spent traveling per mile for black central city residents is twice that of suburban whites, partly because more whites use their own car to get to work than do blacks (69 percent for whites versus 43 percent for blacks) who are more dependent on public transportation.”113

African Americans in the Chicago region are less likely to own cars and therefore require access to public transportation in order to reach employment, childcare, and education sites. According to 1999 data, 13.9 percent of all households had no access to an automobile. Over 13 percent of Hispanics households had no access to a car. Thirty-one percent of African American households had no access to a car.114 New housing is not being tied to transportation, however, and this limits the access to opportunities on the part of people of color particularly, given their higher reliance on public transit. Before 1990, 46 percent of housing was constructed within walking distance of rail lines. But in the period 1990-1995, only 9 percent of housing was constructed within a ½ mile of a rail line, according to research by Metropolis 2020.115 At the same time that housing became more disconnected from housing, job growth shifted away from transit lines. While this development pattern may be somewhat tolerable for upper-income, disproportionately white families that can afford cars, it creates a significant problem for lower-income households.

### Percentage of New Jobs Near Transit Stations, Chicago Region, 1990 and 1995116

<table>
<thead>
<tr>
<th>Region</th>
<th>1990</th>
<th>1995</th>
</tr>
</thead>
<tbody>
<tr>
<td>Region</td>
<td>48.6 percent</td>
<td>45.7 percent</td>
</tr>
<tr>
<td>Cook</td>
<td>59.3</td>
<td>57.8</td>
</tr>
<tr>
<td>DuPage</td>
<td>18.8</td>
<td>16.7</td>
</tr>
<tr>
<td>Kane</td>
<td>13.7</td>
<td>17.4</td>
</tr>
<tr>
<td>Lake</td>
<td>31.9</td>
<td>24.8</td>
</tr>
<tr>
<td>McHenry</td>
<td>27.6</td>
<td>25.1</td>
</tr>
<tr>
<td>Will</td>
<td>12.9</td>
<td>13.0</td>
</tr>
</tbody>
</table>

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114 See 1999 American Housing Survey, Metropolitan Sample for the Chicago MSA, Table 2-7. Additional Indicators of Housing Quality – Occupied Units (March 2001).


Housing and Education

Narrowing the gap between the successful schools and pupils and the unsuccessful ones requires change outside schools as well as inside. Strategies to improve education must take place alongside measures to tackle wider social and economic problems, not least housing decay, overcrowding, and shortages.\textsuperscript{117}

The cost, condition, and location of housing affect the quality of children’s education. Access to educational opportunity is most limited by homelessness. Seventy-five percent of homeless children under the age of five have at least one major developmental deviation or delay, usually in the areas of impulsivity or speech. Homeless children are four times more likely than other children to score at or below the tenth percentile in reading and vocabulary.\textsuperscript{118}

But constraints on affordable housing impact on educational outcomes for low-income families that are housed as well. The lack of availability of affordable housing can result in increases in student transfers. Low-income families often have to move as rental rates change and this forces children to change schools.\textsuperscript{119} An increase in student transfers makes it significantly more likely that students will fail grades and have behavioral problems in school.\textsuperscript{120} Data on the Chicago public schools over a 4-year period showed that only 46 percent of students remained in the same school for that period. In schools characterized by high levels of student transfers, only 30 percent of the students remained in the same school for that time period.\textsuperscript{121} The number one reason that students in Chicago change schools is residential change, and students are likely to transfer to schools with the same, not better, student achievement records.\textsuperscript{122} Having to move, because of the cost or quality of housing and other reasons, increases the likelihood of student transfers, and this has negative outcomes for student achievement. This is an area of particular concern regarding outcomes for students of color. A study on the Chicago schools found that, of students who attended three schools over a two year period, 8.6 percent were white, less than 1 percent were Asian American, 24 percent were Latino, and approximately 66 percent were African American.\textsuperscript{123} African American students made up 75 percent of students who moved 4 or more times in a two-year period. Further, frequent student transfers cause disruption of education not just for the student, but for the whole school.

There are also negative implications for education when housing is in substandard or poor condition. When housing quality is low, educational and other learning outcomes are reduced for the children living in that housing. Lead poisoning is just one example of quality of housing resulting in decreased learning outcomes as it can delay development and decrease IQ points.\textsuperscript{124}

\textsuperscript{117} See National Housing Federation, Housing & Education: Making Sure It All Adds Up, available at http://www.housing.org.uk.
\textsuperscript{119} See Megan Sandel, Joshua Sharfstein, and Randy Shaw, There’s No Place Like Home: How America’s Housing Crisis Threatens Our Children (1997).
\textsuperscript{120} See Megan Sandel, Joshua Sharfstein, and Randy Shaw, There’s No Place Like Home: How America’s Housing Crisis Threatens Our Children (1997).
\textsuperscript{122} See Megan Sandel, Joshua Sharfstein, and Randy Shaw, There’s No Place Like Home: How America’s Housing Crisis Threatens Our Children (1997).
The following table shows that people of color in the Chicago region are more likely to live in housing with quality issues.

<table>
<thead>
<tr>
<th>Housing Deficiencies Chicago Region, 1999²²⁵</th>
<th>African American Households</th>
<th>Hispanic Households</th>
<th>All Households</th>
</tr>
</thead>
<tbody>
<tr>
<td>Signs of mice in past 3 months</td>
<td>17.8 percent</td>
<td>7.8 percent</td>
<td>7.9 percent</td>
</tr>
<tr>
<td>Holes in Floors</td>
<td>1.5 percent</td>
<td>1.6 percent</td>
<td>0.8 percent</td>
</tr>
<tr>
<td>Open Cracks or Holes</td>
<td>9.8 percent</td>
<td>7.5 percent</td>
<td>5.5 percent</td>
</tr>
<tr>
<td>Broken Plaster or Peeling Paint</td>
<td>7.1 percent</td>
<td>3.0 percent</td>
<td>3.2 percent</td>
</tr>
</tbody>
</table>

There is also a wealth of research that suggests that students educated in racially and economically segregated schools receive substandard educations. Much of the instability and lack of resources that poor families experience has negative consequences for children in these families. When a large number of students in a school face these challenges it has a cumulative effect that significantly impedes the ability of the school to provide a quality education. According to education researcher Gary Orfield, “High poverty schools have to devote far more time and resources to family and health crises, security, children who come to school not speaking standard English, seriously disturbed children, children with no educational materials in their homes, and many children with very weak educational preparation.”²²⁶ As a result, educational researcher William Trent has found that there is a “consistent negative effect of high poverty concentrations in school on students’ academic achievement.”²²⁷ If, on the other hand, individual low-income students are educated in schools not characterized by poverty, there are positive outcomes for these students.²²⁸ It is the poverty of the school, far more than the poverty of the individual, that determines educational outcomes.

Racial segregation in the schools significantly limits student academic outcomes²²⁹ and denies all students the necessary exposure to diverse views and perspectives, which is increasingly important given changing racial and ethnic demographics.

When access is created to educational opportunity, on the other hand, there are beneficial results in terms of housing access. For example, higher educational attainment levels are associated with an increased likelihood of homeownership for all residents of the region. Data from the Current Population Survey show that in the central city, African American and Hispanic homeownership rates²³⁰ increase significantly with a high school degree, and more so with a

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²²⁵ See 1999 American Housing Survey, Metropolitan Sample for the Chicago MSA, Table 2-7, Additional Indicators of Housing Quality – Occupied Units (March 2001).
²²⁸ See Susan E. Mayer, Income Inequality, Economic Segregation and Children's Educational Attainment.
³³⁰ Includes only married-couple households under age 45 and averages over the period of 1996 to 1998.
bachelor’s degree, though homeownership rates are lower for people of color than for whites with the same degree of educational attainment.  

Housing and Childcare

Childcare is an essential opportunity structure that enables the parents of 13 million children to work.  

The percentage of working parents has significantly increased in the last thirty years. Between 1972 and 1999, the percentage of working mothers with children under six doubled, and the percentage of working mothers with children over six increased by over 25 percent.  

Childcare demands have greatly increased throughout the last two decades.

Accessible quality childcare remains an ideal rather than a reality for many low-income families. Agencies’ hours, locations and prices often do not match parents’ needs and ability to pay. Consequently, low-income families may find their housing and employment opportunities significantly limited when they attempt to meet their childcare needs.

Research indicates that the location of care centers and homes, and agency hours and agency costs have a significant impact on employment and housing opportunity structures. Childcare costs are prohibitively expensive for many impoverished and low-income families. Nationally, childcare costs have risen by 20 percent since 1986, and the national average cost for a four-year-old child’s day care tuition exceeds $3,000.  

In Illinois’ urban areas, childcare costs an average of $5,304 per year. For many low-income families, this cost constitutes an average of 25 percent of their total household income. More homeless families interviewed in Chicago cited childcare problems as a barrier to work than cited skills, transportation, and health issues.  

Such prohibitive costs clearly affect parents’ ability to gain and retain employment. Indeed, parents with no childcare support are seven times more likely to rely on public assistance than employed parents who receive a childcare subsidy.

Childcare agencies’ locations can also prevent low-income families from accessing the childcare they need. Many low-income families are restricted in terms of transportation, and thus can only utilize childcare agencies that are near their home or work. If a parent’s childcare center or home is far from his or her place of employment, it becomes more difficult to coordinate transportation with a work schedule. As a result of locational problems, employment stability can be undermined.

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133 In 1999, 60 percent of working women had children under six and 78 percent of working women had children over six. See National Council of Jewish Women, NCJW’s Campaign for Quality, Affordable Childcare, available at www.ncjw.org/news/childcare/childcarechart.htm.
The unavailability of childcare services during non-traditional hours also burdens low-income families. This is because more and more low-income parents are having to take low-skill jobs that typically offer nontraditional hours. In Cook County, 43 percent of parents who qualified for state assistance said finding care for the necessary hours negatively impacted their employment opportunities.

Even when childcare is available, studies show that the quality of care is inconsistent. Research has shown that very little quality care is available for infants and toddlers and 80 percent of all centers are mediocre at best. Further, only ten states meet national recommendations for child-staff ratios. The current state of childcare quality strongly affects low-income families, as studies have shown that their children are more vulnerable to low-quality care and react more positively to high quality care. What all this suggests is that access to childcare is very important for employment stability and child development, both of which have implications for accessing housing opportunities. Therefore, an analysis of opportunity-based housing must incorporate an accounting of the cost, location, and quality of childcare in the metropolitan region.

A Note on Housing and Democratic Participation

Creating access to safe, stable housing that is tied to the other opportunity structures related above can increase the capacity to participate in democratic structures. As I touched on earlier in this paper, full and meaningful participation in our society is the essential goal of civil rights, to which all other efforts, in employment and housing and other opportunity areas, correspond and relate. According to More Than Bricks and Mortar: Housing That Builds Community, a report on efforts to increase homeownership in Santa Fe:

An effective housing strategy does more than build buildings. If it is developed thoughtfully and implemented creatively, a housing strategy can have deeper implications, transforming both citizens and communities and the ties that bind each to the other.

A democracy depends on the capacity and willingness of people to play a civil role. Homeownership strengthens a democracy by giving people a stake in their community.


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When the number of stakeholders decreases rather than increases, the civic connections that create and sustain community are weakened.145

A collaborative effort in the Santa Fe region to create affordable housing, increase homeownership rates, and improve the physical condition of homes owned by low-income households resulted in not only enhanced assets for participants but, according to a survey of participants, increased participation in neighborhood and civic structures. This set of programs shows that increasing access to housing opportunity can have meaningful results for democratic participation.

Lessons from Other Regions

In order to create the opportunity for people with low incomes to live and prosper in all areas of the region, it is important to think of housing needs from a regional perspective. It is essential to have the input of communities of color in a regional analysis of housing, and soliciting this input should be a key component of any form of regional housing assessment. Adopting this frame of analysis and applying political pressure can result in policies and laws that promote the development of affordable housing throughout the metropolitan area. Increasing the supply of affordable housing in areas with strong tax bases, high performing schools, and strong employment bases can give people of color the ability to access those structures. Similarly, a regional assessment can support the preservation of affordable housing and protection of residents in economically viable areas, and become the basis for drawing appropriate investment to those areas.

Numerous metropolitan regions across the country acknowledge the regional nature of the housing market and the affordable housing need. Indeed, stakeholders in the Chicago region have taken important steps in this regard, with examples including the regional analyses of affordable housing needs in For Rent: Housing Options in the Chicago Region146 and Regional Realities: Measuring Progress Toward Shared Regional Goals,147 as well as those efforts of the advocacy community to bring metropolitan coordination to the affordable housing crisis in Chicago. Government now needs to take a role in assessing and acting on regional housing needs, with the meaningful participation of communities of color.

One approach that government can take is the enactment of a law mandating that each municipality within the region account for its share of the regional affordable housing need. In California, state law provides that a "regional housing needs assessment" be conducted by the state department of housing. The analysis results in an identification of each locality’s share of the regional housing need;148 localities are then to respond to that allocation by developing


148 See Brian Augusta, Building Affordable Housing from the Ground Up: Strengthening California Law to Ensure Adequate Locations for Affordable Housing, 39 Santa Clara Law Review 503, 509 (1999)
appropriate plans for housing, including “land use plans and regulatory systems which provide opportunities for, and do not unduly constrain, housing development.”149

A strength of the California regional approach to housing is that the analysis of each municipality’s share of the regional housing need encompasses larger trends than housing alone. The council of government or state housing and community development agency considers employment and transportation dynamics in the region, among other things, when calculating the municipality’s share of the housing need.150 In design, municipalities then plan housing in relationship to and anticipation of both the existing and predicted need for housing, and the presence of other opportunity structures. Another strength of the California model is that municipalities must plan for housing for households across a range of incomes, from those households earning less than 50 percent of the median income to those earning over 120 percent of the median.151 Although there have been enforcement and implementation problems, this is a sound framework for creating housing throughout a region. An attempt to implement this model in the Chicago region could involve adding stronger enforcement mechanisms to this model.

An innovative idea is to classify affordable housing as infrastructure. The Affordable Housing Study Commission in Florida proposed that the state’s Growth Management Act be amended to reflect the fact that affordable housing, which is “integral to the operation of a healthy community,”152 be considered necessary infrastructure to the same extent that sewer lines and roads are infrastructure.152 Considering affordable housing on par with these other forms of infrastructure would mean that affordable housing would need to be in place in order for new development to be approved. The Florida legislature had not adopted this proposal at the time of this writing.

From a civil rights perspective, it is vital that community members have input on these assessments and decisions. In the past, communities of color did not have the opportunity to inform decisions on development and land use and the result was that their interests were often undermined. Certainly, the urban renewal policies implemented in cities across the nation beginning in the 1950s are glaring examples of this type of exclusion from decision-making and its devastating effects on the lives and neighborhoods of communities of color. One example where more voices are at the table is in the regional housing needs assessment conducted by the Association of Bay Area Governments, in the San Francisco region. There, representatives from each governmental jurisdiction participated in the determination of the housing need, as did planners, but the decisions were also informed by housing advocates working in the region.153 This model of decision-making could be improved by establishing a process for direct community input.

149 See California Department of Housing and Community Development, Housing Elements, at http://www.hcd.ca.gov/hpd/hoe/plans/he.
150 See Brian Augusta, Building Affordable Housing from the Ground Up: Strengthening California Law to Ensure Adequate Locations for Affordable Housing, 39 Santa Clara Law Review 503, 510 (1999)
151 See Brian Augusta, Building Affordable Housing from the Ground Up: Strengthening California Law to Ensure Adequate Locations for Affordable Housing, 39 Santa Clara Law Review 503, 510 (1999)
An impact assessment process could ensure that communities of color have voice. More specifically, a racial and economic impact assessment process and the development of impact statements can be the basis for ensuring that the goals of racial and economic fairness, and of ensuring equality of opportunity, play a central role in the development of policies, programs, and projects. This process, fashioned after environmental and other impact processes, can be applied to specific projects or developments or can be used to guide the overall mission and activities of public and private actors engaged in housing and land use planning.

When a new development or policy is proposed in the region, an impact assessment process can be initiated by assessing the racial and economic status of the area to be impacted. The particular needs and priorities of existing community members should be gathered through data analyses and qualitative methods, such as in-depth interviews with focus groups and public hearings. A nuanced determination, informed by impacted communities, must be made of the “match” or disconnect between projected outcomes of the proposal and the unique needs of community members. For example, if a mixed-income development made up of a certain number of units affordable at 50 percent of the median income is proposed, whether this level of affordability will genuinely create access to the housing for existing residents must be determined.

Understanding the full context of the development must also entail a review and analysis of the ways in which existing laws and policies benefit or detract from outcomes desired by community members. And, vital to the process, a space must exist for the development of alternative proposals. This is a sketch of the process – the set of questions that a new development or proposal raises will be particular to the project and the impacted community, and should be crafted through a fully participatory process.

The process must entail a discussion of the direct and indirect effects of each option, including a specific discussion of how the costs and benefits of the option will vary for different racial and ethnic groups and for residents of different income levels. Developing a set of racial and economic impact assessment tools could facilitate the engagement of communities of color in the region, and thereby inform a regional plan for housing.

Another way to think regionally about fair housing is to assess the obstacles to fair housing choice throughout a region. In the Twin Cities metropolitan region, jurisdictions that receive Community Development Block Grant funding from the Department of Housing and Urban Development came together this past year to produce a regional analysis of the impediments to fair housing choice. In the past, each jurisdiction receiving these funds, and required by HUD to conduct an analysis of impediments, prepared a separate assessment of the obstacles that individuals who are protected under fair housing laws face to equal housing opportunity. By coordinating on this effort, individual jurisdictions in the Twin Cities are beginning to think of fair housing from a regional perspective. This could be the beginning to progress and partnership on eliminating barriers to equal housing opportunity in the Twin Cities region. Importantly, community input on this regional analysis of impediments to fair housing was sought, through small groups discussions facilitated by the Minneapolis Urban League and through public hearings. This community insight was integrated into the assessment.

Thinking regionally on housing opportunity can also mean forging alliances with other constituencies, such as environmental groups, that have complementary interests in sound
regional planning. It is crucial to civil rights objectives, however, that communities of color be able to form useful, strategic alliances and not have their concerns drowned out by other regional players.

One example of such an alliance is in the San Francisco region where housing advocates have joined with environmental and transportation organizations in forming the Bay Area Transportation and Land Use Coalition. This coalition is demanding that cities in their region create affordable housing through mechanisms such as infill development and expedited zoning reviews.\footnote{See Greenbelt Alliance Launches Campaign for Affordable Housing (November 16, 2000) (press release), available at http://www.greenbelt.org/the_greenbelt/press_affordhousing.html.}

In the Twin Cities region, a coalition of more than 26 organizations, including faith-based organizations, environmental groups, and transit advocates, lobbied for a state mandatory inclusionary zoning law. While the coalition did not achieve this objective, it succeeded in attaining the passage of voluntary inclusionary housing legislation in Minnesota, demonstrating the potential of cross-interest alliances on the issue of affordable housing creation.\footnote{Interview with Russ Adams, Director, Alliance for Metropolitan Stability. See also Minn. Stat. Ann. § 473.255.}

Because the Leadership Council has been so successful in pursuing equality of opportunity, it could play an important, central role in a coalition to make housing a regional issue and promote opportunity-based housing. There are many other actors in the Chicago region who have struggled to open up housing, protect the rights of residents against gentrification and other forces, and seek equity in the region. If points of commonality can be found, a powerful coalition could result. The forces of fragmentation, segregation, and economic isolation are of such a scale in the region that addressing opportunity concerns requires not only combining forces, but building on and expanding beyond the existing power base of advocates, communities, intermediaries and academics, other sectors of civil society, and local government.

Fair housing advocates once stood alone in the fight for equality of housing opportunity. In Chicago, fair and affordable housing are issues that are being addressed in meaningful ways by a true cross-section of groups, perhaps more so than ever before. Now faith-based organizations, community-based organizations, business groups, and the civil rights community hold certain common aspirations. The Metropolitan Alliance of Congregations, West Town Leadership United, Chicago Affordable Housing Coalition, Chicago ACORN, Latinos United, and Metropolis 2020 are just a few examples of the diverse body of groups that have demonstrated a commitment to affordability and fairness in housing. Additionally, anti-sprawl groups such as the Openlands Project and intermediaries have voiced concern over the dearth of housing opportunity and its segregative effects. Each of these groups has had their vision of Chicago frustrated by the larger forces of relocation of resources to the periphery, fragmentation of governance, and racial and economic segregation. These organizations, though pursuing distinct missions and representing different constituencies, could be strong partners in a coalition to demand that housing be tied to opportunity structures throughout the region.

Additionally, I have attempted to show in this paper that the interests of a broader base of stakeholders are impacted by housing policy, and these other players can be engaged in and
become resources for a movement toward opportunity-based housing. Because housing as an opportunity structure interrelates with the structures of education, employment, transportation, and childcare, among others, policymakers, advocates, and community organizations working in these areas can be brought into the discussion and made allies in the movement. In order to make the necessary connections between these structures, and improve life chances for all residents of the Chicago region, it is necessary to build bridges beyond the housing sphere.

While analyzing housing and other needs from a regional perspective is important, the effort must not stop with analysis. Once stakeholders and community members are given the chance to offer input and shape the assessment of housing needs, municipalities in metropolitan regions should employ tools to create affordable housing and other opportunities in line with the assessment.

**Tools for Creating Opportunity-Based Affordable Housing**

When considering how to address the need for affordable housing, it is important to consider strategies that will increase the supply of such housing and to consider how this new housing can be tied to opportunity. When a consideration of location is absent, the potential for exacerbating the effects of concentrated poverty or of creating new pockets of poverty and limited opportunity is heightened. It is also imperative that housing solutions account for the different needs of the low- and moderate-income population. Strategies targeted only at those in the higher end of this economic scale are clearly inadequate. Similarly strategies must consider the unique needs of different racial and ethnic groups that may result from economic status, language or cultural issues, differences in current residential and housing patterns, and so on. For example, African Americans tend to be more residentially segregated and more likely to live in public housing than Latinos. Affirmative marketing programs have been shown to play an important role in linking people of color with housing opportunity. Successful interventions must also consider how otherwise neutral policies will affect different racial and economic groups because of their particular attributes. Finally, while the strategies that follow are regional and/or local, the current housing issues in Chicago also suggest the need for a national strategy designed to increase funding for production of housing and halt the destruction of housing in areas where there is no recourse for displaced families.

One measure that has proven very successful at creating housing throughout a metropolitan region is inclusionary zoning. A typical inclusionary zoning ordinance enables municipalities to create affordable housing by requiring that new developments, particularly those with larger numbers of housing units, set aside a portion of units for low-income tenants, offering the developer, in return, density bonuses or exemption from certain municipal fees. In this way, affordable housing is created wherever new housing is created and developers are not burdened. Good ordinances also provide for restrictions on the resale of affordable units\(^{156}\) and include measures to keep the designated units affordable for a substantial period of time.

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Of regions that have enacted inclusionary zoning legislation, Montgomery County, Maryland stands out for its success in providing housing that has been accessed by low-income families and creating access to housing for families of color. The county's Moderately Priced Dwelling Unit Program requires developers and owners set aside between 12.5 and 15 percent of the total number of units in developments that have 50 or greater housing units for moderate pricing and this applies to both rental and owner-occupied housing. In exchange for making these housing units affordable, developers receive a density bonus of 22 percent — that is, they are able to build a development at a density 22 percent greater than that normally permitted under the jurisdiction's zoning laws. Those families with incomes earning less than 65 percent of the area median income are eligible to apply for the moderately priced units in Montgomery County. Montgomery County ensures that the designated units remain affordable for a meaningful period of time by: requiring that units stay affordable for 20 years; and by regulating occupancy and the rents charged for the affordable units.

The success of this program is measurable, first, in the quantity of affordable housing that has been produced since its enactment. As of 1996, over 10,000 affordable units had been produced. The program also has increased housing choice for people of color. Twenty-two percent of affordable home purchasers alone were African American in the 1990s. The fact that people of color are accessing housing throughout Montgomery County is particularly remarkable given the fact that as of 1970 the county was 92 percent white.

It is also significant that elected officials view the program favorably. This is in part because every jurisdiction within Montgomery County is impacted by the policy and because creating the affordable housing is not financially burdensome to local governments. These aspects of the Montgomery County program could mean that it is politically feasible to replicate it in other regions where municipalities resist affordable housing because they claim that their jurisdiction is being unfairly targeted or that it would be too costly.

California law similarly provides a way for local governments to give density bonuses to developers of affordable housing. There, municipalities may permit developers to increase the density of housing to 25 percent over the housing density normally permitted under zoning law in exchange for a set-aside of one of the following: 20 percent of units for low-income households, defined as households with incomes between 50 to 80 percent of the median income; 10 percent for very low-income households, defined as less than 50 percent of the median income; or 50 percent for senior households. A mandatory law on affordable housing creation,

157 See Montgomery County, Maryland, Division of Housing and Code Enforcement, Moderately Priced Dwelling Unit Program: Montgomery County, Maryland's Inclusionary Zoning Ordinance. at www.colino.md.us/bca/Housing/MPDU/summary.htm.
158 See Montgomery County, Maryland, Division of Housing and Code Enforcement, Moderately Priced Dwelling Unit Program: Montgomery County, Maryland's Inclusionary Zoning Ordinance at www.colino.md.us/bca/Housing/MPDU/summary.htm.
159 See Montgomery County, Maryland, Division of Housing and Code Enforcement, Moderately Priced Dwelling Unit Program: Montgomery County, Maryland's Inclusionary Zoning Ordinance at www.colino.md.us/bca/Housing/MPDU/summary.htm.
163 See Montgomery County, Maryland, Division of Housing and Code Enforcement, Moderately Priced Dwelling Unit Program: Montgomery County, Maryland's Inclusionary Zoning Ordinance, at www.colino.md.us/bca/Housing/MPDU/summary.htm.
such as that in place in Montgomery County, is preferable to a voluntary or incentives-based law, however, if the goal is to create housing tied to opportunities throughout the region.

Because, as noted earlier, the low density that characterizes development in the Chicago region\textsuperscript{166} means that there is room to create housing, an inclusionary housing program may be appropriate. A great deal of land in the collar counties has not been urbanized.\textsuperscript{167} And market rate housing and other developments continue to be constructed in areas throughout the region on an ongoing basis, as measured by the number of building permits being issued, and have increased over the past years in certain sectors of the region.\textsuperscript{168} The existence of space for development within the region and the fact that market rate developments continue to be created suggests that a Montgomery County set-aside model could be effective in the Chicago region.\textsuperscript{169}

It is important to note that increasing the density of development does not always equate to increasing affordability, a lesson to take from the Portland, Oregon region. Oregon’s Metropolitan Housing Rule mandates that all jurisdictions within the Portland region develop at certain minimum densities: 10 units per acre in the 6 largest cities; 8 units per acre in the majority of cities; and 6 units per acre in the smallest cities. Additionally, the rule requires that new development be 50 percent multi-family or attached single-family homes.\textsuperscript{170} Unlike a mandatory inclusionary zoning law, this heightened density rule does not incorporate requirements on the affordability of the multi-family units. Though the Portland region may have developed more multi-family units since the enactment of the rule in 1981 than would have been developed, the region was found to be the eighth least affordable housing market in the nation in 1999.\textsuperscript{171} As stated in a report of the metropolitan government in Portland, “[H]ouseholds with the highest need for affordable housing are not able to locate decent, affordable housing.”\textsuperscript{172}

Another mechanism for generating affordable housing in a region is the linkage fee. Under this model, municipalities assess fees on commercial or market rate residential developments and use this funding to create affordable housing.\textsuperscript{173} The rationales behind linking affordable housing fees to these types of developments are that (a) market rate residential developments have the potential to displace low-income tenants, and so fees to mitigate this effect should be assessed, and (b) commercial development creates jobs and so can create affordable housing needs.\textsuperscript{174} Commercial development linkage fees are assessed in Boston,\textsuperscript{175} and Florida,\textsuperscript{176} as well as in a


\textsuperscript{168} See U.S. Census Bureau, Building Permits by County, at http://www2.census.gov/cgi-win/usac/compare.exe.

\textsuperscript{169} See U.S. Census Bureau, Building Permits by County, at http://www2.census.gov/cgi-win/usac/compare.exe.


\textsuperscript{175} See Richard Tuition, Richard, Inclusionary Zoning and Affordable Housing, New Century Housing 25 (October, 2000).

number of municipalities in California.\textsuperscript{177} One criticism made of this approach to generating funding for affordable housing, in the context of California cities, is that the fees are not substantial enough to meaningfully contribute to the creation of affordable housing.\textsuperscript{178} Current legal standards hold generally that unless the relationship between the assessment (i.e., the fee) and the impact of the development (e.g., its effect on affordable housing needs) is shown to be reasonable, and the fee is shown to be in proportion to the impact, the fee will be considered a taking that requires governmental compensation.\textsuperscript{179} Illinois case law provides a more stringent standard, that the fee must be "specifically and uniquely attributable" to the need created by the development.\textsuperscript{180} This suggests a need for deliberate planning but does not create a prohibitive obstacle.

Several lessons surround the linkage fee mechanism. It can be a means of generating funds for affordable housing creation in vibrant development markets, such as Boston. It requires careful legal work, to ensure compliance with court rulings. And it is only a source of funding, which means that civil rights advocates would have to work to ensure that governments exacting these fees actually create affordable housing that furthers fair housing goals.

Because employment and housing opportunities should be connected, and employment continues to grow in the Chicago region, a mechanism that merits consideration is employer-assisted housing. Whether voluntary or provided for under municipal law, employer-assisted housing involves expanding the role of the employer in helping lower income households access affordable housing close to the job site. Typically, an employer may provide financial assistance to employees purchasing homes nearby or directly provide affordable housing to employees. In Minnesota, one employer that recognized a lack of affordable housing near a job site provided a construction loan to a developer building a 48-unit development, realizing that employees could access this housing.\textsuperscript{181} In the Chicago region, participants in the Regional Employer-Assisted Collaboration for Housing provide a grant to employees toward a down payment on a home located near job sites, and organizations supporting this collaboration provide homeownership counseling.\textsuperscript{182} It is unclear how substantial an impact voluntary employer-assisted housing can have on the regional affordable housing need, but these efforts should be supported and strengthened by laws that require each sector of the region to provide its share of the regional affordable housing need. Employer-assisted housing needs to be tailored to the types of employment that are available. Importantly, employer-assisted housing should be guided by government and the civil rights community to reach the housing needs of all workers, and not exclusively moderate- and high-income workers, if opportunity-based housing is to be achieved.

Affordable housing can be created when local governments permit tandem housing. This housing type, also referred to as accessory dwelling housing, is a unit that is attached to an

\textsuperscript{177} See Nico Calavina, How to Build Affordable Housing for Low-Wage Workers, Los Angeles Times 6 (July 28, 2000) (Sunday Home Edition).
already existing unit of housing, occupying the same lot but becoming a “second unit.” This kind of housing can be relatively easy to create; may not require local governmental funding; and can be done so that the character of the community is not substantially altered by the introduction of the housing. A tandem housing law passed in Daly City, California resulted in the creation of 400 affordable units within 10 years. Orlando, Florida and Babylon, New York are two additional examples of municipalities that permit the creation of tandem housing. This is a model that should be introduced in areas of the region where affordable housing is needed, but should be only one piece of a more substantial approach to affordable housing creation. The success or failure of a tandem housing program also hinges on the role that each local government takes in promoting or resisting this policy. A truly regional program is better suited to the goal of opportunity-based housing.

It is not enough to just increase the region’s supply of housing, regardless of the siting of the housing. Rather, increasing supply and ensuring viability of siting should both be pursued. Creating opportunity-based housing requires that the viability of each jurisdiction in the region be considered as well as the effect that affordable housing will have on existing structures. As mentioned earlier, no one city can provide the affordable housing needs of the region alone and survive (in terms of maintaining the necessary tax base, providing quality education, and ensuring employment of residents). Instead, housing must be created across the landscape, and be deliberately tied to other opportunities. In New Jersey, for example, every jurisdiction within a region is allocated its share of the regional housing need. But New Jersey law provides that one jurisdiction may sell its share to another through a “regional contribution agreement” – one municipality can provide another municipality’s housing share and charge that “sending” municipality $20,000 per housing unit. I examined racial and economic data on those municipalities “sending” their affordable housing, and those “receiving” housing in the 1990s. The result in New Jersey has been that predominantly white cities with low poverty rates are paying cities that are racially and economically isolated to take on more affordable housing. This is a model that does not entail consideration of the viability of the jurisdiction creating the affordable housing and allows for the placement of the region’s housing needs on individual municipalities that are already struggling. For these reasons, the New Jersey model, without revision, cannot be endorsed.

Civil rights advocates can also promote municipal adoption of fast track review processes for affordable housing development proposals, which decrease the time and expense associated with standard zoning review processes and municipal waiver of fees in order to spur affordable housing development. For example, were municipalities across the Chicago region to adopt an

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5. According to data collected by the New Jersey Council on Affordable Housing, for the period 1992-2000, the top 5 cities “sending” their affordable housing were Wayne, Holmdel, Bernardsborough, Pars-Troy, and Warren. The top 5 “receivers,” those municipalities receiving funds from other municipalities with which they then created affordable housing, were New Brunswick, Newark, Trenton, Paterson, and Phillipsburg. By “top” I am ranking the cities in terms of quantity of housing units sent or received. 1990 Census data on the African American population and the percentage of people in poverty in these cities showed that senders had much smaller African American populations and percentages of people in poverty, while receivers had much a greater percentage of people in poverty and African American residents.
ordinance similar to that in place in Orange County, North Carolina, which provides a $3,000 rebate per unit on school construction impact costs, this might have a positive impact on the capacity of developers to pass savings on to renters. 188 A recent research study on 8 suburbs in the Chicago region concluded that impact fees are driving up housing costs in these suburbs and may be pricing out lower income residents, both because home prices are higher and developers may be encouraged by these laws to build higher price homes. 189 Finally, advocates can promote housing creation by continuing to seek the revision of zoning laws that exclude affordable housing.

Anti-gentrification policies should be developed in the region and be coordinated with housing creation policies. That is, measures should be put in place to prevent isolation from opportunity structures, both the isolation that results from concentration of poverty and from gentrification. Because gentrification in rich and middle-class cities constrains the supply of affordable housing and pushes low-income residents, frequently people of color, to economically isolated areas, both sets of policies should be advanced in concert.

Important inroads have been made in the area of gentrification in the Chicago region; these advances should be expanded and strengthened. One example is the work of West Town Leadership United to facilitate and institutionalize property assessment appeals on the part of property owners in gentrifying neighborhoods. This is an important anti-gentrification tool as it can help keep original residents from being priced out of their neighborhoods, and being dislocated from important economic and social structures. The organization has succeeded in garnering significant reductions in property assessments for property owners that provide affordable rental housing, though greater reductions are needed to ensure that these housing opportunities remain in those areas experiencing reinvestment. The organization has also made the case for institutionalization of the process. 190 Indeed, the Cook County assessor has recognized the legitimacy of this type of appeal. 191 Further, an ordinance that would provide longtime homeowners with a partial exemption from the increase in their property assessment is under consideration as of this writing. 192 These efforts, as well as a variety of other steps taken on the part of community-based organizations and advocacy groups to protect the interests of original residents of Chicago’s neighborhoods from displacement, should be supported and further developed.

Other tools that could be deployed in the Chicago region include rent control laws that would mitigate the effect of gentrification on residents of neighborhoods experiencing dramatic rent increases; 193 requirements that landlords pay relocation expenses when they take units out of the rental market, which could serve as a deterrent; 194 and the opening of greater opportunities for

190 See J. Elvery and J. Harris, Community Organization Resists Gentrification Through Tax Assessment Campaign in West Town Community, PRACunic (Summer 1998).
191 See James M. Houlihan, Cook County Assessor, Supplemental Guidelines for Appeal of Residential Multi-Family Buildings (on file with the Institute on Race and Poverty).
192 See Proposed Ordinance, Sponsored by The Honorable Roberto Maldonado, Cook County Commissioner, The Cook County Longtime Homeowner Property Tax Assessment Exemption Ordinance (on file with the Institute on Race and Poverty).
non-profit organizations to own rental properties and commit to long-term affordability agreements.\textsuperscript{195}

It is likely that no single initiative can prevent gentrification from displacing low-income residents from neighborhoods experiencing an influx of middle-income residents. A comprehensive set of strategies must be deployed. Stakeholders in the Chicago region can learn from the efforts of the Kirkwood neighborhood community development corporation in the Atlanta region, profiled in Dealing with Neighborhood Change: A Primer on Gentrification and Policy Choices. That organization has successfully responded to an influx of middle-income residents by identifying vacant lots and other areas that could benefit from redevelopment, ensuring that city-financed housing was marketed and made available to subsidized tenants, and greatly increasing homeownership rates among original residents through a variety of outreach methods, including downpayment assistance and education programs.\textsuperscript{196}

Another tool that could be adopted in the Chicago region is a regional analysis of gentrification, such as that conducted by the Urban Habitat Program in the San Francisco Bay Area.\textsuperscript{197} This report involved an historical analysis of forces driving gentrification, a highly comprehensible break-down of the phases of neighborhood change, a close examination of those sectors of the region experiencing gentrification as well as those likely to receive displaced tenants, and a careful analysis of the policy and legal drivers behind gentrification. Urban Habitat's study is a very valuable tool for assessing key trends and creating a baseline for informed decisionmaking. These types of efforts and others could be expanded to the regional level in Chicago region in order to advance opportunity-based housing.

\textbf{The Next Era for the Leadership Council}

The Leadership Council has performed a critical role not just for a number of low-income residents of Chicago, but for the Chicago region and the entire country, through its operation of a comprehensive set of fair housing programs, including the Gautreaux Assisted Housing Program. When Gautreaux was filed there was no Fair Housing Act. There had been very little effort to address the problem of racial segregation in general or the problem of racial segregation in the public housing market. There was very little research on the negative impacts of concentrated poverty and to the extent that gentrification was an issue, it was primarily limited to neighborhoods. Sprawl was not part of the public discourse and suburbs were seen as largely white and separate from central cities. The federal government was still very much in the business of building public housing.

Much has changed since that time. The federal government has moved to vouchers and away from the production of public housing. We are now seeing gentrification on the city as well as a regional level, rather than strictly at the neighborhood level. Racial minorities are moving to suburbs in increasing numbers, though discrimination continues to frustrate even high-income

\textsuperscript{197} See Urban Habitat, There Goes the Neighborhood: A Regional Analysis of Gentrification and Community Stability in the San Francisco Bay Area (1999).
buyers and renters. A number of suburbs are facing problems previously associated with central cities. Terms like concentrated poverty, gentrification, sprawl, and fragmentation are finding their way into the public consciousness.

The inadequate supply of affordable housing and the siting of that housing continue to be serious concerns. But the environment in which these issues have to be addressed has changed and become more textured. We have also learned a great deal. Much of it can be attributed to the work of the Leadership Council and on the research that has followed its efforts.

It is important that, in this new emerging environment, the lessons we have learned be elements of the movement forward. One of the first things this suggests is that the split between the suburbs and the city is anything but clear. It has been assumed in most parts of the country that the suburbs are not only the home of whites but also the home of opportunity, while the city is the home of people of color and diminishing opportunity. This is clearly not the case today. While the suburbs continue to capture most of the population and job growth in metropolitan areas, there are declining suburbs that are being out-performed by some central cities. This is the case in Chicago region. It is also clear that Chicago's minorities are increasingly moving to the suburbs, but often the declining suburbs.

This means that we cannot simply assume that the suburbs will be the location of opportunity or that the central city will be the location of decline. The operative divide then is not city versus suburb but opportunity versus isolation. And as I have tried to demonstrate in this paper, where and how opportunity structures are being developed is largely an empirical question. This suggests a number of things both for the Council and housing advocates and providers.

First there must be a careful examination of the region and how opportunity is distributed and developing. Policies should be motivated by the goal of effectively linking up affordable housing with opportunity structures. In a fractured metropolitan area like Chicago this means that attention must be paid to jurisdictional isolation even more so than neighborhood isolation. What is needed is a comprehensive and dynamic tool or set of tools for tracking and anticipating trends in the location of and relationships between opportunity structures.

Second, it means that there must be an effort to develop mechanisms that work on a regional level. One city, even a city as vibrant as Chicago, cannot go it alone and sustain itself. There is also a powerful disincentive for a jurisdiction to increase its supply of affordable housing in a fragmented region unless others are doing the same. Regional coordination on housing is requisite to achieving opportunity-based housing.

Third, while Chicago and increasingly the older suburbs have a disproportionate amount of affordable housing, all parts of the region, including Chicago, have an inadequate supply when regional housing needs are considered. This suggests that while it is appropriate to try to develop new housing opportunities and to safeguard against isolation, mass destruction of existing public housing without mechanisms for its replacement and the increase of the overall housing supply raises serious issues. On the other hand, this does not suggest that the Leadership Council and other stakeholders should be sanguine about the existing location of affordable
housing and public housing. Instead, there must be a commitment to creating opportunity-based housing throughout the region.

Fourth, given the lack of affordable housing and the low vacancy rate, the current voucher plan will likely increase both concentrated poverty and gentrification. The destruction of public housing, the tight rental market, and racial discrimination suggest no other result under the current voucher program framework. Opportunity-based housing cannot be created without careful scrutiny of the supply and location of housing throughout the region, and the policies that impact on siting and quantity.

Fifth, given the changing demographics and the different experiences of different racial populations, the Council should develop a way to track what is happening to different populations. We know that there are important differences in the segregation rates for different populations, among other areas for consideration. Even in relatively good times, for example, African Americans have a difficult time using vouchers outside of the central city and southern suburbs. Part of the weakness of Hope VI was its failure to consider these different obstacles to attaining housing: “Without systematic tenant counseling and placement assistance, these public housing tenants will likely end up in distressed neighborhoods, displaced from [the structures] that comprise a large part of their social network.”198 Because of the Leadership Council’s record of successful counseling of residents, it is perhaps best equipped to inform the revision of public and private programs that do not effectively accommodate these differences and guide positive shifts in housing policy in the coming era.

The Chicago region must aggressively pursue opportunity-based housing in place of the current public, subsidized, and affordable housing policies. Conceptually, clarity must be brought to an agenda for opportunity-based housing in the Chicago region. Tensions between jurisdictions, stakeholders, and constituencies must be recognized and addressed. What is apparent is that no single city in the region can solve the housing problems, and no single organization can halt the forces of segregation, concentration of poverty, fragmentation, and gentrification. But the Leadership Council is uniquely suited to truly open this discussion and take a central role in the struggle that lies ahead. In shaping its agenda for the coming years, the Leadership Council should consider that:

[T]he relationships are reciprocal: inadequate housing and unequal access to housing inputs reinforce discrimination based on social characteristics, but getting social policy right contributes to the ability of disadvantaged groups to play a full part in housing production and to ensure that housing meets their distinctive needs.199