ROOSEVELT UNIVERSITY
POLICY RESEARCH
COLLABORATIVE

Equitable Mobility in the Housing Choice Voucher Program

2018

Contents

Executive Summary

On March 1st, 2018, the Chicago Housing Authority (CHA) implemented a new policy to determine eligibility for exception payment standards in the Housing Choice Voucher (HCV) program. Under this new policy, CHA changed from the concept of opportunity areas to the concept of mobility areas. According to CHA, the purpose of this change was to increase the number of areas that are accessible to HCV participants and allow them the opportunity to move to community areas that were previously inaccessible[1] .

A mobility area is defined as a community area where less than 20% of families in the area are below the poverty level and the amount of reported violent crime is below average, or an area where poverty and violent crime is improving and there are clusters of job opportunities.

By adding a new landlord incentive program along with the designation of mobility areas, the CHA reported that they aimed to help renters find more housing in mobility areas, which traditionally have more competitive markets and where landlords are often resistant to holding a unit for a HCV participant[2].

Under this policy, 42 of Chicago's 77 community areas are designated as mobility areas, eligible for rental subsidies of up to 150% of Fair Market Rent (FMR) for the Chicago-Joliet-Naperville, IL Metro Area.

Residential segregation has long dictated who gets what and who lives where, and vouchers attempt to disrupt this narrative by providing low-income families equitable housing opportunities in more neighborhoods. To that end, the Policy Research Collaborative (PRC) at Roosevelt University sought to assess whether HCV participants could realize equitable housing choices under the new policy.

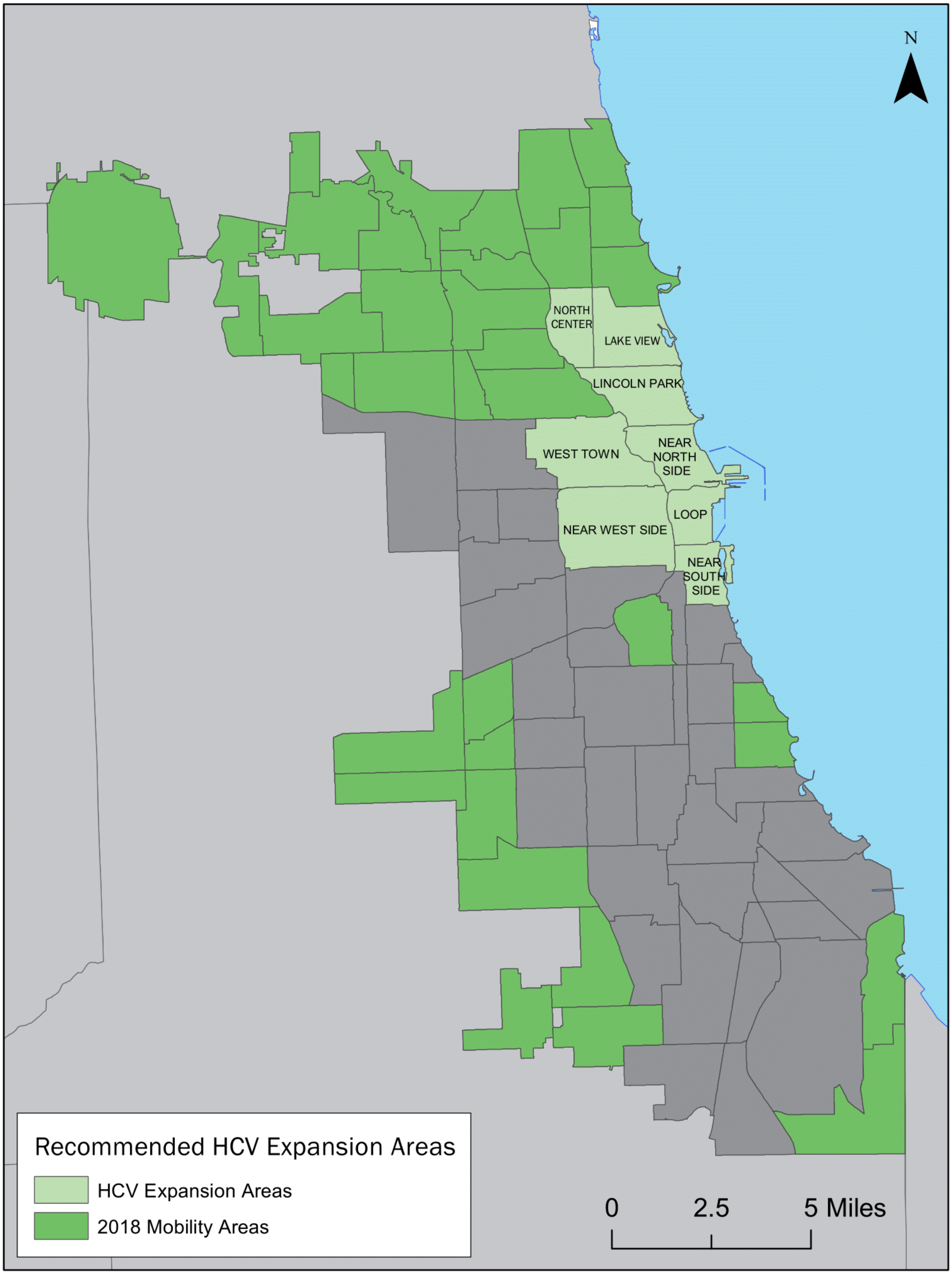
PRC determined that CHA's payment standards provide equitable and sufficient housing choices in 34 of the 42 designated mobility areas. However, more than 70% of properties in eight central community areas are not affordable.

For example, in the Loop and Near South Side, 0% of two and three bedroom properties were affordable, even to those receiving the maximum available subsidy. Additionally, less than 15% of all properties are affordable at the current subsidy in the Near North Side at any unit size. In North Center, Lake View, and Lincoln Park, less than 30% of properties with two bedroom units are affordable under the current payment standards.

To promote greater housing equity across all of Chicago's communities, PRC recommends increasing payment standards for eight centrally-located community areas.

Establishing HCV Expansion Areas with a maximum subsidy to 175% of FMR opens almost half of the market to HCV participants while increasing the maximum subsidy to 200% of FMR opens up about two-thirds of the market.

The implementation of the recommended HCV Expansion Areas with increased payment standards would allow families to realize more equitable housing mobility in all community areas across the city of Chicago.

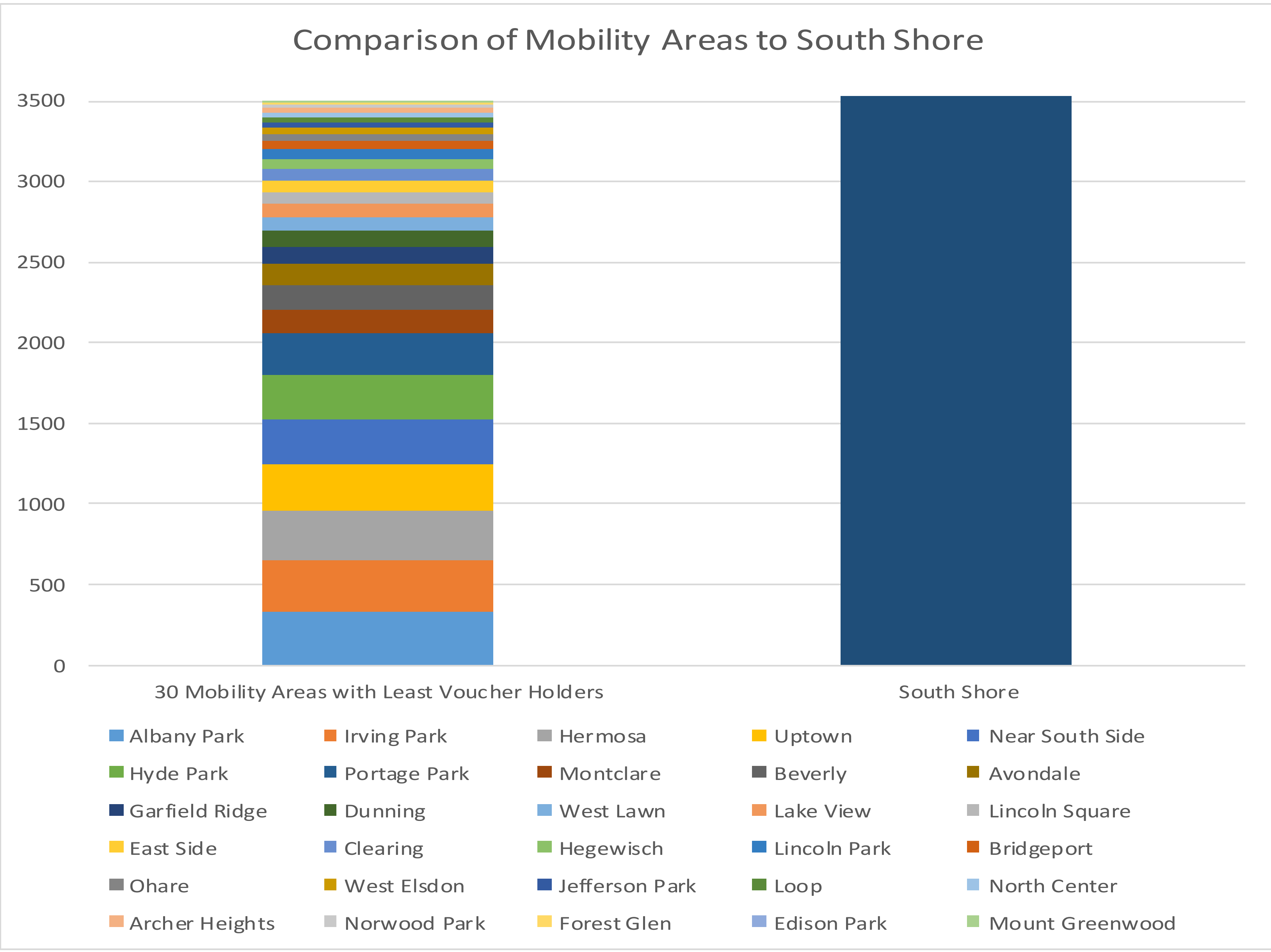

N
NORTH CENTER
LAKE VIEW
LINCOLN PARK
WEST TOWN
NEAR NORTH SIDE
LOOP
NEAR WEST SIDE
NEAR SOUTH SIDE
Recommended HCV Expansion Areas
HCV Expansion Areas
2018 Mobility Areas
0
2.5
5 Miles

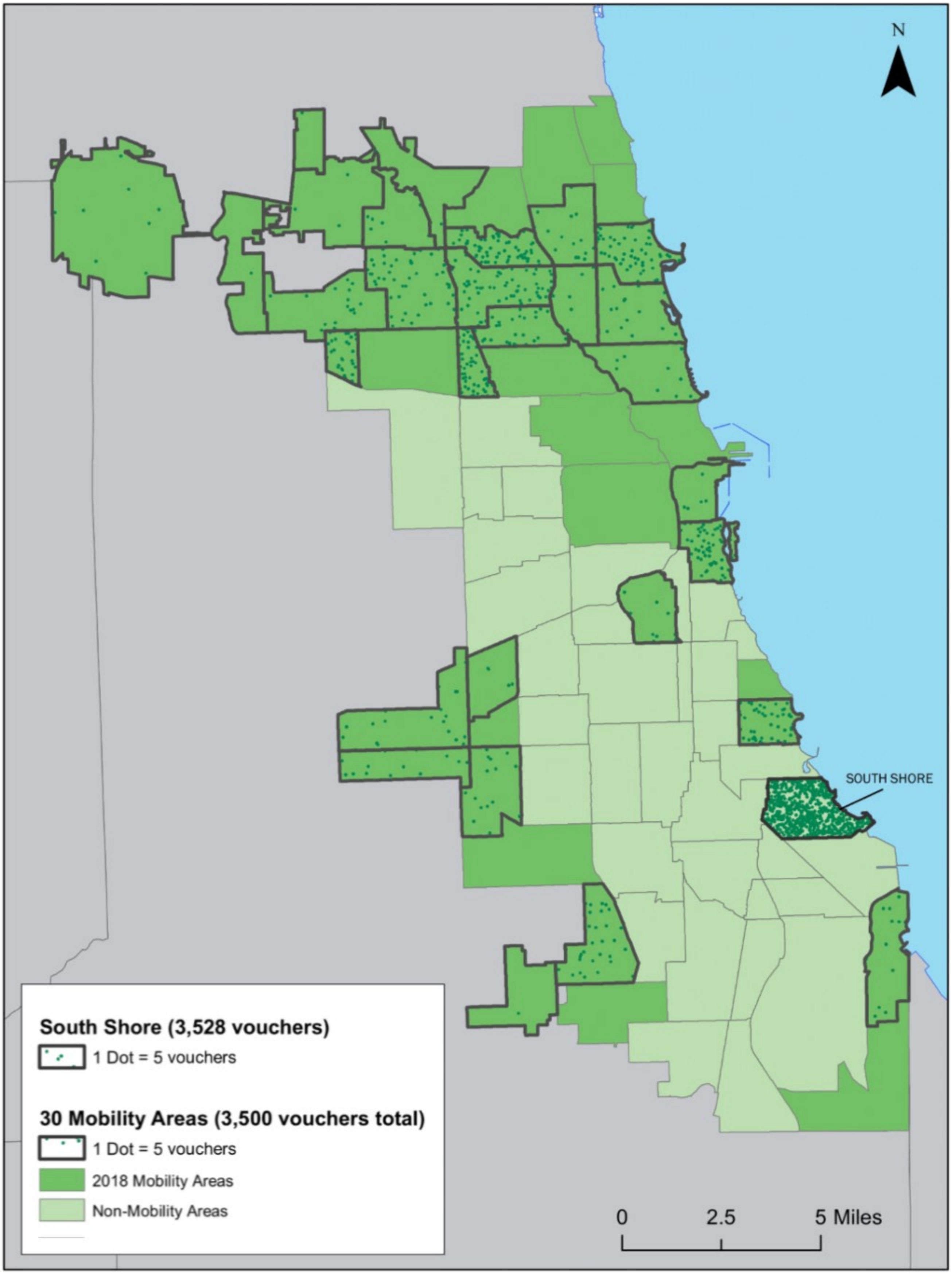
Unequitable Housing Choices

As of Q4 2017, 41,311 families receive tenant-based HCV assistance from CHA. **Only 22% of these families reside in designated mobility areas.**

City wide, the majority of HCV participants are disproportionately concentrated outside of mobility areas on the city's south and west sides that have increased poverty and crime rates.

For example, South Shore is home to the largest population of HCV participants, with 3,528 families receiving tenant-based HCV assistance. By comparison, **30 of the 42 mobility areas combined are home to fewer voucher holders than South Shore alone.**




N
SOUTH SHORE
South Shore (3,528 vouchers)
1 Dot = 5 vouchers
30 Mobility Areas (3,500 vouchers total)
1 Dot = 5 vouchers
2018 Mobility Areas
Non-Mobility Areas
0
2.5
5 Miles

Toward Equitable Mobility

Finding 1: An exception payment standard of 150% of FMR is *insufficient* in eight centrally located community areas.

The current exception payment standard of 150% of FMR is sufficient in most mobility areas. However, this exception payment standard is insufficient in eight centrally located community area with minimum rents for units in most properties exceeding current payment standards.

Finding 2: *Increasing* the exception payment standard in the eight central community areas would *increase market access* and *promote housing equity* for HCV participants.

Taken together, HCV participants can afford to rent units in only 26% of the available properties.

By increasing the exception payment standard to 175% of FMR, the number of units available for HCV participants increases to 48% of the market across the eight central community areas.

Increasing it to 200% of FMR, increases HCV participant access to 67% of the rental market in these eight community areas.

In 2017, CHA increased the exception payment standard as a Moving to Work (MTW) activity for households with disabilities to 250% of FMR to expand housing choice for households requesting reasonable accommodations in an efficient and cost-effective manner[3]. As such, CHA could leverage its MTW status to increase the exception payment standards available in eight centrally located community areas: Lake View, Lincoln Park, Loop, Near North Side, Near South Side, Near West Side, North Center, and West Town.

Our findings support increasing the exception payment standard to at least 200% of FMR in the Loop, Near North Side, Near South Side, and Near West Side, and to at least 175% of FMR in Lake View, Lincoln Park, North Center, and West Town. Since an increased payment standard does not guarantee particular rent values, we recommend establishing HCV Expansion Areas comprising all eight community areas with a maximum payment standard of 200% of FMR. This recommendation aligns with CHA's goal of increasing mobility and housing choice for HCV participants by providing equitable housing opportunities to all participants, regardless of community area.

Community Area	Unit Size	150% of FMR	175% of FMR	200% of FMR	225% of FMR	250% of FMR
North Center	0	**50%**	50%	50%	100%	100%
	1	**56%**	78%	89%	89%	100%
	2	29%	**82%**	94%	100%	100%
	3	27%	**77%**	90%	97%	100%
Lake View	0	**93%**	96%	99%	99%	99%
	1	**71%**	94%	96%	99%	100%
	2	28%	**57%**	74%	87%	98%
	3	18%	**56%**	80%	98%	99%
Lincoln Park	0	**78%**	92%	98%	100%	100%
	1	38%	**70%**	92%	92%	92%
	2	28%	**55%**	72%	79%	86%
	3	10%	37%	**58%**	79%	88%
Near North Side	0	14%	42%	**75%**	91%	96%
	1	5%	31%	**55%**	81%	95%
	2	3%	6%	14%	41%	**59%**
	3	2%	5%	7%	12%	15%
West Town	0	22%	33%	**78%**	94%	94%
	1	38%	**63%**	79%	96%	100%
	2	**50%**	64%	79%	86%	90%
	3	30%	**53%**	65%	82%	85%
Near West Side	0	13%	30%	**61%**	91%	100%
	1	12%	23%	**60%**	81%	95%
	2	20%	34%	**50%**	64%	80%
	3	22%	44%	**56%**	56%	61%
Loop	0	2%	29%	**58%**	92%	96%
	1	4%	27%	**66%**	89%	96%
	2	0%	9%	15%	**55%**	73%
	3	0%	0%	7%	27%	40%
Near South Side	0	20%	**60%**	80%	100%	100%
	1	7%	**60%**	93%	93%	100%
	2	0%	7%	47%	87%	93%
	3	0%	0%	25%	25%	25%

Data Sources + Methodology

Drawing upon 2017 data provided by the Chicago Area Fair Housing Alliance, PRC conducted a point-in-time analysis of the rental market to illustrate the geographies of affordable rental stock in mobility areas across Chicago. PRC contextualizes these data with CHA's HCV policies and procedures as well as data on HCV participants' rent, unit size, and location within the city of Chicago.

For properties with multiple rental listings, PRC analyzes the minimum advertised rent for every unit size. This approach prevents potential skew introduced by luxury rental units. Analyzing the minimum rents further ensures that conclusions for the most affordable unit at a given property apply to all units at that property.

PRC uses descriptive statistical analyses to identify relationships in the rental listing data. To allow for between-group comparisons, the data are subset relative to three categorical variables: (1) number of bedrooms, (2) whether the property is located within a mobility area, and (3) community area. We also make multi-level, between-group comparisons to identify the effects of differential groupings on rent.

To control for outliers, within-group rental values are generalized using the median minimum rent for a unit size at any given property. PRC limits analysis to units with three or fewer bedrooms in its property data.

References

1. Chicago Housing Authority, “Mobility Areas Map—Frequently Asked Questions” (2018)
2. Chicago Housing Authority, “2017 Year in Review: Transforming Lives” (2018)
3. Chicago Policy Research Team, “Not Welcome: The Uneven Geographies of Housing Choice” (2017); Chicago Housing Authority, “FY 2018 MTW Annual Plan” (2017)

Acknowledgements

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The Policy Research Collaborative is an interdisciplinary, applied research and technical assistance center at Roosevelt University working with community partners to address social inequities and strengthen communities through transformative policy research and advocacy.

Strengthening Community. Transforming Policy. Alleviating Inequity.

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