Communities Can Advance Fair Housing through eTOD

Communities looking to advance shared opportunity and affirmatively further fair housing can do so through equitable transit-oriented development. Transportation options, such as access to transit and infrastructure for walking and biking, open avenues to prosperity. When these options are crystalized in equitable transit-oriented development (eTOD) communities, they can increase connections to jobs, reduce reliance on cars for every commute and errand, and substantially lower the cost of living associated with owning and operating automobiles.

But even within a transit-rich community like Chicago, access to the transportation system and the health of transit-served neighborhoods can vary significantly. Some neighborhoods along the CTA Red, Brown, and Blue Lines have expensive and rapidly appreciating housing prices that have put them increasingly out of reach for lower income households. Other transit-served areas on the south and west sides face distress after decades of disinvestment. A third set of neighborhoods on the northwest and southwest sides possess few high-frequency transit routes.

The U.S. Department of Housing and Urban Development now asks communities receiving federal funding, including Chicago, to close these disparities through affirmatively furthering fair housing (AFFH). This rule, passed in 2015, implements a long-standing mandate from the Fair Housing Act of 1968 and asks communities to proactively break down barriers that impose segregation. AFFH requires entities receiving federal funds to consider disparate impacts in access to housing, education, transportation, quality food, and public health. Those entities, called Participating Jurisdictions, must create an Assessment of Fair Housing (AFH) Plan that sets policy recommendations to break down these barriers in both opportunity areas and distressed neighborhoods.

HUD asks communities to use an Assessment Tool to understand and address these contributing factors to segregation. CNT has pinpointed some of these contributing factors in the past. They include the availability, type, frequency, and reliability of public transportation; location of major employers and residential neighborhoods; land use and zoning laws; lack of private investment in weaker markets; and lack of community acceptance in stronger ones. HUD also provides a complimentary mapping tool to help communities quantify and map disparities that stem from these contributing factors. However, communities can go above and beyond this tool by integrating sharper local data. For example, the City of New Orleans and Housing Authority of New Orleans used local data to quantify school disparities and develop neighborhood specific recommendations in their AFH plan.

CNT’s eTOD Social Impact Calculator can help Cook County communities plan for AFFH by quantifying the impact of disparities in access to transportation. As CNT has pointed out in the past, a transit-served location can significantly enhance a household’s access to a variety of jobs and support an overall lower cost of living. For example, CNT found that an eTOD focused on the Logan Square Blue Line station could provide significant transportation cost savings, up to $232 per month for low-income households, when compared to the average location. As another example, an eTOD near the Jefferson Park Transit Center would help households reach almost 750,000 jobs within a 30-minute transit ride, substantially more than locations to the west.
Additionally, communities can map the locations of federal low-income housing investments to understand whether they help provide equitable access to the system. As an example, CNT has analyzed the location of low-income households helped by two federal programs. The first program, Low Income Housing Tax Credits (LIHTC), underwrites the direct production of much of the nation’s housing stock affordable to lower income households. The second program, Housing Choice Vouchers (HCV), provides households on a public housing authority waiting list with the opportunity to use a voucher to help pay for any housing unit of their choice.

These programs may help lower-income households live in high-cost areas near transit, but discriminatory barriers can get in the way. For example, it can be difficult to use LIHTC financing for buildings near transit, where the private market competes for land, sometimes driving development costs beyond the reach of a project financed by LIHTC. Additionally, community opposition may stymie the needed zoning and entitlement approvals for LIHTC to proceed. HCV holders face different barriers. A landlord may choose to deny a lease to HCV holders. Local governments can legally protect HCV holders from this discrimination under the Fair Housing Act. Chicago and Cook County both offer this protection. But, as WBEZ has found, landlords often discriminate anyway by selectively advertising vacancies.

Maps of each of these programs against the CTA rail system demonstrate that both the LIHTC and HCV programs have given lower-income households some access to the transit system. The map to the left overlays the location of Low Income Housing Tax Credits against the half mile station areas around CTA rail. The map to the right visualizes those U.S. Census Tracts where HCV holders live against those same station areas. In total, 56% of LIHTC units and roughly 52% of HCV holders are within a ten-minute walk of a CTA station.
While these two programs help tenants access transit, they have not done so in a way that addresses segregation. Overall, these programs have overwhelmingly added units or offered assistance in minority areas, including in TOD areas, as the maps above demonstrate. The map to the left overlays LIHTC units against majority Black and Latino Census tracts. The map to the right visualizes the density of HCV holders against those majority minority neighborhoods. Overall, 68% of LIHTC units and 87% of HCV holders are located in majority Black or Latino tracts. Projects near the CTA rail system follow these trends. Out of the LIHTC units located in a TOD, 60% sit in minority neighborhoods. And among HCV holders that live near CTA rail, 83% live in a majority Black or Latino community.

Chicago can take the first steps to reduce this disparity by integrating eTOD into the strategies of its AFH. Different approaches are needed in affluent opportunity areas, gentrifying neighborhoods, and disadvantaged communities. In areas of opportunity, Chicago could award and help affirmatively advance LIHTC investments in eTOD projects to help deconcentrate poverty and provide equitable access to transit and jobs. In weaker market areas, the City can spur more private investment by incubating more incremental developments, like those proposed in Washington Park. Finally, it will take a strong commitment to affirmative marketing to combat continued landlord discrimination against HCV holders. Combined with other strategies, eTOD can help break down segregation and bring shared prosperity to more transit-served communities.