

Housing: Affordable, Adequate, and Accessible Samantha Fleischman

Metropolitan areas are known to be home to a high percentage of low-income residents. The availability of affordable housing throughout the region is important and gives access to public commodities and necessities such as transit, employment, education, and individual wellbeing, greatly influencing cities and their decline or desirability. As programs are being enacted on a state and local level to provide subsidized housing to residents, it is important to evaluate if there is an adequate amount of affordable housing for the population of Milwaukee. The locations of such housing developments and programs lack accessibility and proximity to available employment. It is necessary to depict if the city is shifting low-income housing efforts to places more advantageous in these aspects.

Evaluating the availability of affordable housing in Milwaukee is significant due to historical issues such as suburbanization leaving a large population of low-income residents in the city. Coinciding, deindustrialization led to a lack of employment opportunities for low-skilled workers. Consequently, central cities in the United States have become places for disadvantage and have led to greater issues affecting entire metropolitan regions. Other variables necessary to evaluate would be the accessibility of transportation in areas of affordable housing as well as the availability of employment, racial composition, and education levels.

To examine this research question, a meso-level analysis will be used to measure the availability of affordable housing. Focusing on the Milwaukee region, the meso-level will best depict annual incomes and affordable housing in varying neighborhoods in the city and its surrounding suburbs. This will suggest which neighborhoods are in most dire need of affordable living and will portray the spatial separation of not only affordable housing but accessibility to public commodities and employment. It would also be noteworthy to locate subsidized housing within the region and, if possible, where high concentrations of affordable housing as well as areas that are least affordable according to average rents in comparison to incomes.

Key players in the availability of affordable housing include government officials, politicians, and city elites. Since the shift from mostly public to private development of affordable housing, independent investors play a vital role in its availability as well as

accessibility. However, governmental players still have an important role in dispersing subsidies and voucher programs. Officials and elites are determining the level of progress within the city by deciding whether or not to invest, create, or maintain housing programs. Neighborhood residents could also have an active role in the development of affordable housing by accepting or protesting its location and the willingness to incorporate these efforts into their communities.

Coinciding with essential players include key programs that play an active role in subsidized housing. Programs that actively provide subsidized housing include the federal Section 8 voucher program by providing rental assistance for privately owned housing, allowing affordable housing choices (SEWRP). In this program, families pay 30 percent of their income towards rent and federal assistance covers the remainder (ibid).

Another program active in Milwaukee is the Low-Income Housing Tax Credit, an indirect federal subsidy. This program allows the creation or redevelopment of affordable housing units with at least 40 percent of units being available for affordable housing (ibid). This also involves private developers as they can sell the tax credits to investors, reducing the amount borrowed for such projects (ibid). These programs bring affordable housing options to the city and allows residents to either choose their desired location or advocate for constructing mixed- income living.

However, it is evident that Milwaukee is in need of affordable housing throughout the metropolitan area. SEWRP states there is a lack of vacancies and a long waiting list for both subsidized housing units and Section 8 vouchers. The lack of financing and subsidy resources contributes to the affordable housing shortage. As these resources become scarce, it is often more profitable for developers to invest in market-rate housing (Metropolitan Milwaukee Fair Housing Council, 2005, 35). Another aspect would include a net decline in housing units. Many former public housing structures have been or will be torn down and subsequently replaced by fewer units, ultimately reducing the high densities that made social housing infamous. Regardless of its former stigma, subsidies are necessary to ensure the wellbeing of Milwaukee's residents.

Conflicts between housing and employment undermine "the affordability between income and housing costs, between what the labor market pays, and what the housing market supplies at a given price (Briggs, Goering & Popkin, 2010, 73). Not only has there been an increase in housing costs, but also a drastic decrease in inflation-adjusted incomes,

potentially putting housing at its least affordable rates. Consequently, the poor are "increasingly priced out of economically healthy metropolitan areas," creating heightened social issues (Briggs et al., 2010, 72-73). To better depict the issues that are associated with the lack of affordable housing, it is necessary to discuss the history of racial segregation in Milwaukee.

Segregation and Disadvantage

Milwaukee poses an interesting and perhaps unique case to the issue of affordable housing. As Milwaukee has become the most segregated city in the nation with a dissimilarity index of 84.4 (with 0 suggesting full integration and 100 representing none) (Landrine & Corral, 2009, 180) there is a clear concern with the isolation of races and its implicated meaning on affordable housing. The city has a deep history with segregation: it has fallen behind the progression of others in racial integration, stemming from the decline in its formerly thriving industrial sector causing a decrease in unskilled, entry-level employment. This decline in employment has transferred its burden to the housing sector, with many minorities being forced to live in high concentrations of poverty and segregation. White flight also contributed to the movement towards suburbia, thus, enhancing segregation throughout the city. A lack of funding for public amenities, such as transportation and education, continue to hinder the ability of gaining financial and social movement.

As stated by the Metropolitan Milwaukee Fair Housing Council, the majority of residents paying over the 30 percent threshold live in the dense urban center of the city- the same location of the lowest rents in the city. With the highest percentage of income paid to rent in the same location as the lowest costs, it is clear there is a high concentration of poverty within the urban core (33-35). The need for affordable housing also aligns with the area's accessibility to employment within the city. Rast (2004) depicts the spatial mismatch between housing and employment opportunities by measuring the accessibility of automobiles, taking into consideration the location of households in poverty and bus lines in proximity to businesses with strong hiring projections regarding entry level employment. According to the author's findings, 42.1 percent of households living below the poverty level do not have access to a vehicle, making them dependent on public transportation (Rast, 2004, 11). Coincidentally, 81 percent of families living below the poverty level are located

within the city of Milwaukee where only 30 percent of unskilled jobs are available, the remaining being in the suburbs (3).

It is clear that changes need to be made within the core area in relation to affordable housing. To assist in the transformation of these areas, options that need to be considered include: extended and more frequent transit in areas of high poverty, the usability of subsidies in areas outside of the city center and deconcentrating poverty. There are many directions Milwaukee may take in relieving the housing issue; however, it is necessary to look at what is currently being done, and how it is influencing the availability of affordable housing.

From Gautreaux to the Housing Choice Voucher Program

Due to the legal boundaries restricting African American residences, many housing projects were built in segregated neighborhoods, creating islands of isolation for minority populations (Popkin, Rawling & Turner, 2009, 4). However, between the 1970s and 1980s, subsidized housing in Chicago was about to change its shape, followed by national attempts to integrate housing stock. A landmark lawsuit filed in 1966, *Gautreaux vs. Chicago Housing Authority*, set a new stage for affordable housing. After a decade in dispute, the United States Supreme Court ruled in favor of housing desegregation, mobility and opportunity (Briggs et al., 2010, 48).

The Gautreaux program implemented housing vouchers throughout the city of Chicago, placing low-income black families in suburbs that were predominately white and middle class. These relocation efforts suggested further educational achievements for youths who moved into more prosperous neighborhoods, also noting an increase in parental employment (Briggs et al., 2010, 48-49). Posing an attractive alternative to the high densities of public housing towers, the Moving to Opportunity program was made to replicate Gautreaux on a larger scale (Briggs et al., 2010, 50), with ambitions to mend the urban crisis of housing, segregation, and disadvantage.

In October of 1992, the Moving to Opportunity (MTO) program was allotted \$70 million in housing vouchers accompanied by \$1.5 million for tenant relocation counseling with the agreement that placements of low-income residents would be in communities with a high perception of opportunity based on income instead of race - a criteria that was formerly used for Gautreaux and is suggested to be a great downfall in the program (Briggs

et al., 2010, 50-51). MTO provided one of the largest housing experiments ever implemented in the United States and occurred during a period where public and subsidized housing faced a complete shift. Vouchers and MTO assistance were needed to accommodate residents that were being displaced in order to demolish former developments and make way for new HOPE VI housing (Briggs et al., 2010, 59). Although intended results were not achieved and little significance was noted on opportunity relative to education and employment, many lessons were learned through MTO's implementation. For instance, MTO was only to offer relocation, all other aspects surrounding success was left to the individual or family (Briggs, et al., 2010, 54).

Many reasons for the lack of success with MTO relate to economic aspects, housing markets, and poor execution of the program. On the supply side, there was a lack of participating landlords, which had not expanded through the program due to limited staff capacity and payoffs. Many families also moved from their initial relocation site due to "dissatisfaction with landlord maintenance and repair, the unit failed to meet inspection standards set by the housing voucher program" or residents acquired health issues in their new locations (Briggs et al., 2010, 150,159). Additionally, high influxes in inflation-adjusted rents, tight markets, and the negative stigma of housing vouchers discouraged renters when searching in low-poverty neighborhoods (Briggs et al., 2010, 151, 232). Although fortunate to have housing vouchers, holders would avoid searching for housing in areas where landlords were assumed to reject vouchers (Briggs et al., 2010, 232). Rents and markets also shifted as minorities who purchased housing outside the city moved towards affordable communities, having increasing issues with poverty. Concurrently, "many central city neighborhoods gentrified dramatically as crime dropped, real-estate boomed and middle- and upper- income households moved in" (Briggs et al., 2010, 151). The transitioning of these areas does not allow former residents to reenter the new community due to high costs.

Affordability fluctuated during the programs existence, ultimately suggesting that the voucher program relies on the "assumption that decent, affordable apartments are *available* in the private market" (Briggs et al., 2010, 73), a notion that seems to alter the intended success of Moving to Opportunity. Concluding, MTO conveys that relocation itself cannot break the barriers put up against low-skilled people in our economy (Briggs et al., 2010, 224). Factors such as personal and mental health, discrimination and willingness to work

could limit a resident's ability to work.

Voucher programs continue to be funded, perhaps suggesting that although MTO was not as successful as hoped, flaws were made and could be corrected through further use, or be advantageous for strict governmental budgets. In comparison to building new, low-income housing, vouchers act as a more efficient, less-expensive means to help low-income families afford housing (Briggs et al., 2010, 224).

Section 8 vouchers account for a large portion of subsidized housing within the Milwaukee region, but faces issues that are comparable to those experienced with MTO. First, the Wisconsin Open Housing Law "does not consider the Section 8 program a part of the 'source of income' protected class; therefore, landlords are not required to rent to tenants participating in the program." Landlords not wanting to participate in Section 8 housing could have reasoning such as a lack of desire to fill out the programs paperwork, meet inspection requirements, or bias against low-income residents (MMFHC, 2005, 36). With high demands and long waiting lists for voucher assistance, approximately 20 percent of families who receive a voucher are forced to forfeit it. Widening the gap, caps based on housing costs in the county are placed on rents, further restricting available units (MMFHC, 2005, 35, 37). Due to low landlord participation, voucher opportunities tend to concentrate in neighborhoods that are already racially segregated with high rates of poverty, thus, a resource that could better integrate communities only enhances separation (MMFHC, 2005, 36-37).

HOPE VI and Mixed-Income Housing

Housing Opportunities for People Everywhere (HOPE VI) was created in 1992 by the Department of Housing and Urban Development (HUD). With 86,000 units, or roughly 6 percent of the public housing stock was suggested to need immediate demolition and revitalization and new means of subsidized housing needed to be created (Clancy & Quigley, 2001, 528). Authorized by the Quality Housing and Work Responsibility Act (QHWRA) in 1998, HOPE VI aimed at promoting market based practices, privatizing public housing operations and management, integrating the new community with those surrounding, and potentially lessening the reliance on government subsidy (Clancy & Quigley, 2001, 528). Eligibility for HOPE VI suggests funding and redevelopment is allotted only to housing

authorities with severely distressed public housing units (HUD.gov). As former housing projects are being targeted and demolished, it is necessary to question whether ample new units will be supplied. With new developments emphasizing a low- density, mixed-income design, a large amount of former housing units are lost. Although there seems to be a net loss of housing stock, Clancy & Quigley (2001) note that loss of public housing can be thought of as shifted towards housing vouchers (532). However, as stated above, vouchers encounter many issues in the housing market.

Coinciding with the new developments in subsidized housing, there are also many social implications and theories. First, mixed-income developments suggest that attracting higher- income residents will widen and better the array of public services available in the community due to having a greater political and market power, thus, benefiting the neighborhood as a whole (Popkin, Rawlings & Turner, 2009, 14). Second, is the theoretical suggestion that the integration between low- and middle-class housing can alter social networks, social controls, and create role models in the community. Furthermore, it is suggested that youths growing up with few successful working adults are thought to receive greater opportunity in mixed income developments, with greater success in the employment sector and education, also reducing crime. Although there have not been any significant shifts in employment and educational attainment, there has been a great decline in crime, suggesting a 62 percent decrease from 2001 to 2005 in such neighborhoods. Since the housing developments are fairly new, shifts in other social aspects could perhaps change overtime (Popkin, Rawlings & Turner, 2009, 14-15).

Although some sites encompass a “full range of market-rate, affordable and public housing, others still serve only low- and very low- income residents” (Popkin, Rawlings & Turner, 2009, 9). Since there have been some amounts of white residents moving into the mixed-income community, there is no significant impact in surrounding segregation (Ibid).

A specific HOPE VI housing development that is being developed in Milwaukee is Westlawn located off of Silver Spring Drive and 60th Street. The redevelopment is suggested to take place over two phases. The first phase is located on the east side of the development and is the location of the HOPE VI rental units. The second phase,



which will ultimately continue on to the west side, consists of market-rate units. Now, there are pockets of market-rate housing bordering the perimeters of the area. The Westlawn neighborhood revitalization received \$76 million in Low-Income Housing Tax Credits, permitting the redesign and construction of the community (HACM). According to the manager of East Westlawn, in order to build, the new housing units, approximately 300 (or so) former units were demolished. During the construction process, residents living in this community were displaced; when construction was completed, former residents were given first choice to rejoin the community. As of now, the redevelopment created 250 housing units, at the completion of phase 1, and will consist of 345 mixed-income units (HACM). Although total units equate to a housing gain, considering a portion is dedicated to market-rate costs, it is likely leading to a net decline of units. When conversing with the housing manager, it was mentioned that only a small portion of market-rate housing is currently incorporated into the project, being a limited amount of 1-bedroom apartments in a complex. It was also unknown around the development when the west side would begin construction. This new development suggests that although vouchers are continually losing funds, tax credits for low-income residents are being put forth to create stable markets of affordable housing.

Suburban Opposition

Affordable housing may have more options in the inner-city; however, there is a lack of employment opportunities. All of the net growth in employment from 1995 onward has occurred in the suburbs. A high concentration of African American populations suggests that 95 percent live in the city of Milwaukee, having an 18.5 percent unemployment rate. With 32.3 percent of African American Milwaukee residents not owning a car, those in most dire need of employment lack the means of transportation to potential jobs as well as nearby living arrangements, thus making employment inaccessible. Therefore, it is necessary to further develop transportation or create appropriately priced housing in these suburban communities. (MMFHC, 2005, 17-18).

However, community opposition continues to occur when trying to implement affordable housing in suburban areas. The suggestion of dispersing public housing residents to the suburbs of Boston during the Moving to Opportunity era sparked enormous negative feedback from the community. An anti-MTO poster hung in the suburb of Essex, suggesting the fear and underlying discrimination against minority residents (Briggs et al., 2010, 61):

HEAR US SHOUT. People living in drug and crime infested Lafayette homes and Murphy homes could be moving to Essex. The Moving to Opportunity program could affect our neighborhoods, our schools, and the number of families receiving County social services. But this is not a racial issue. It is a matter of safety and quality education for Essex residents.

This quote is perhaps relatable to oppositions occurring in Milwaukee suburbs, in particular New Berlin. In May of 2010, the city of New Berlin approved a plan, bringing in 180 units of subsidized housing (JSOnline). However, hostility towards the project grew exponentially, with public displays of bigotry and harassment against the pro-housing mayor. After extensive opposition, New Berlin and its mayor unfortunately ended their attempt at bringing subsidized housing the city. Since the housing plans were denied due to discrimination, a federal lawsuit was filed against the city (JSOnline). Although there were efforts to create affordable housing in New Berlin, other challenges come to existence, for example, the need for transportation to and through the city, linking housing to employment. As many low-income residents lack mobility, it could be increasingly difficult to move to a suburb.

Methodology

A quantitative means of analysis will be used to test the hypothesis that 1) there is a lack of affordable housing within the Milwaukee region; 2) current affordable housing units are located in areas that have low levels of accessibility to public transportation options and

employment opportunities, 3) low-income housing is becoming more advantageous through shifting locations.

To measure the lack of affordable housing in the Milwaukee region, it is necessary to begin with its definition: paying no more than 30 percent of a household's income for rent or a mortgage (<http://www.hud.gov/offices/cpd/affordablehousing/>). This would then be applied to average income levels and rents throughout the neighborhoods in the Milwaukee Metropolitan region. An interactive map and data source (city-data.com) breaks down the average income and rents within the different neighborhoods. Using the averages for each area, one is able to depict which areas are underserved in affordable housing, or comparatively, employment. An example of deciding the affordability of housing within a neighborhood will be displayed through the Avenues West neighborhood. According to the data collected, this neighborhood has an average annual income of \$16,284, with rents averaging \$501. Taking the average rent in this neighborhood (\$501) and multiplying it by 12 months of the year will depict the annual amount spent on rent (\$6,012). Dividing the annual amount spent on rent by the average income of the neighborhood (\$16,284) will give the percentage of income spent on housing. For Avenues West, on average, residents pay 37 percent of their income towards housing annually. Since average rents in the neighborhood are over the 30 percent threshold, this neighborhood is considered to need more affordable housing units for its residents. All neighborhoods will be measured with the same criteria, using averages to visualize which neighborhoods are most underserved in affordable housing and may need more assistance. A factor that may skew the projections of affordability would be that the residents with the lowest incomes will pay the highest percentage of their income towards rents, and have a high cost burden. Contrary, some neighborhoods may have high wages and pay over 30 percent of their income towards rent; however do not feel a cost burden from housing.

For the second and third questions the same methodology can be used and compared against each other. First, it is necessary to depict how accessible current affordable housing is via public transportation, and followed by the same measurement for new and upcoming projects. This could be determined by borrowing Rast's (2004) method of measuring the distance from new housing developments to transit lines, then placing an hour commute cap to businesses that are actively hiring. To decide if the new locations and developments in housing are more advantageous than the former, the availability of transit routes to areas that have the largest amount of employers in their one-hour cap would be the most ideal location.

Although it is thought that mixed-income developments would have an obvious increase in opportunity, it is necessary to measure and confirm. Limitations could include the inability to measure scattered-site or voucher, unless measured on neighborhood level, due to housing being individual. HOPE VI developments would also derive an interesting result due to their locations formerly being public housing and suggested concentrated poverty. Interesting results would show either transit routes have low frequencies and accessibility, or with the new development, a transit line caters better to the area. Ideally, the results can indicate which neighborhoods are in most dire need of resources, and create a level field in the availability of housing, transit and employment.

Although this proposal is based around a quantitative analysis, a qualitative analysis would be interesting for further research. Since large portions of social factors play into the roles of housing, community, employment, and education, they are not easily omitted and could perhaps alter the study. To expand on methodology, a qualitative approach could be taken to consider which housing locations are most desired by low-income residents. As some neighborhoods may appear to need more affordable housing due to quantitative analysis, qualitative would suggest if there are in their given neighborhood due to choice or cost of rent and acceptance of housing vouchers. This information would aim to increase vouchers in most desired areas.

Additional further research could spout from Glaeser and Gyourko's (2008) suggestion that "there is no way producing more housing will change this situation because this is a poverty problem, not a housing problem" (16). This could play an interesting role in shifting the urban fabric to accommodate those that are at a disadvantage in the economy and therefore in housing. Instead of making housing affordable, employment should be attainable and self-sustainable, which could also have a large influence on the disabled and those that have been living in assistance for extended periods of time who are out of the employment sector.

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