Is Affordable Housing Concentrated in Low-Income Areas?

Lily Kemp | Texas Woman's University

John Martin | University of Missouri – Columbia

Maya Katz | Rice University

What is affordable housing?

- Government subsidized

- Rent controlled (HUD, 2011)

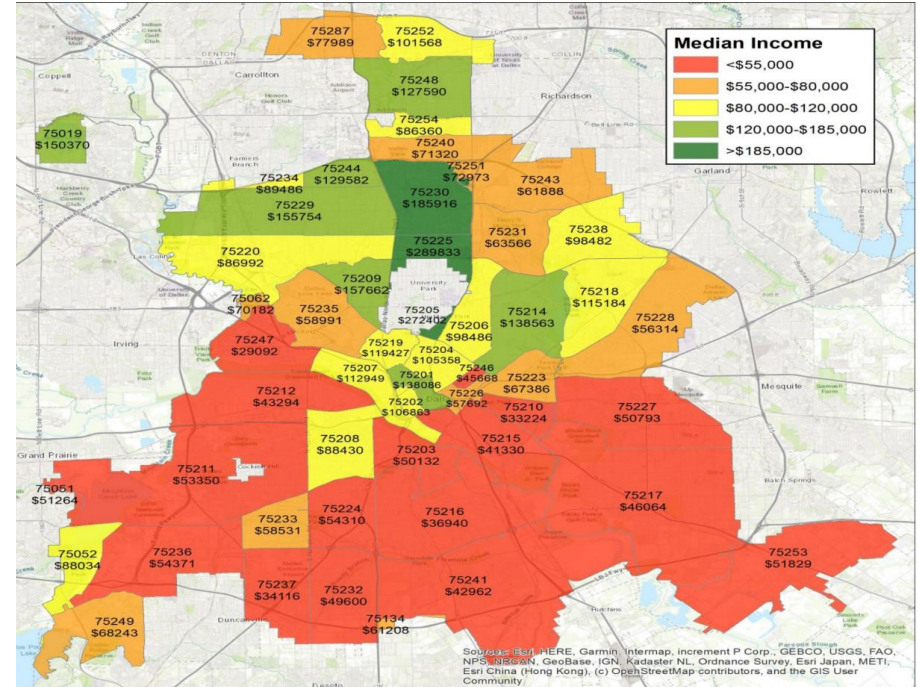- Targets low-income households

- Apartments

Is there **enough** affordable housing? What are the **current locations** of affordable housing?
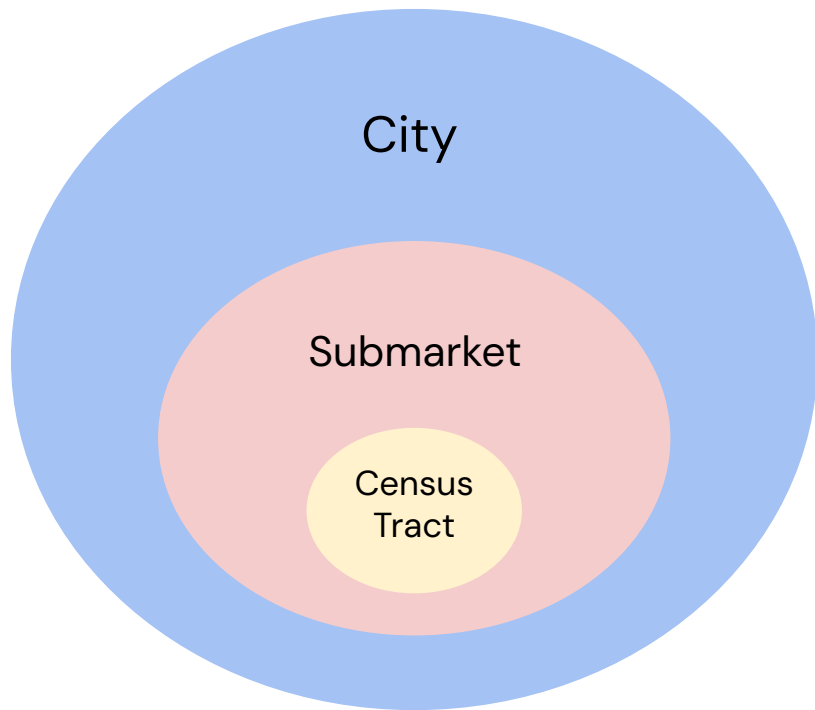
Findings

Cities build affordable housing **where low-income people are.**

Data & methods

Yardi

- Comprehensive, categorical apartment data
- Submarket: geographic region within a city with similar real estate features

ACS 5–Year Estimates

- Demographic, social and economic population data by submarket

Methods

- Test if income correlates with affordable housing access through various **regression models** with and without fixed effects
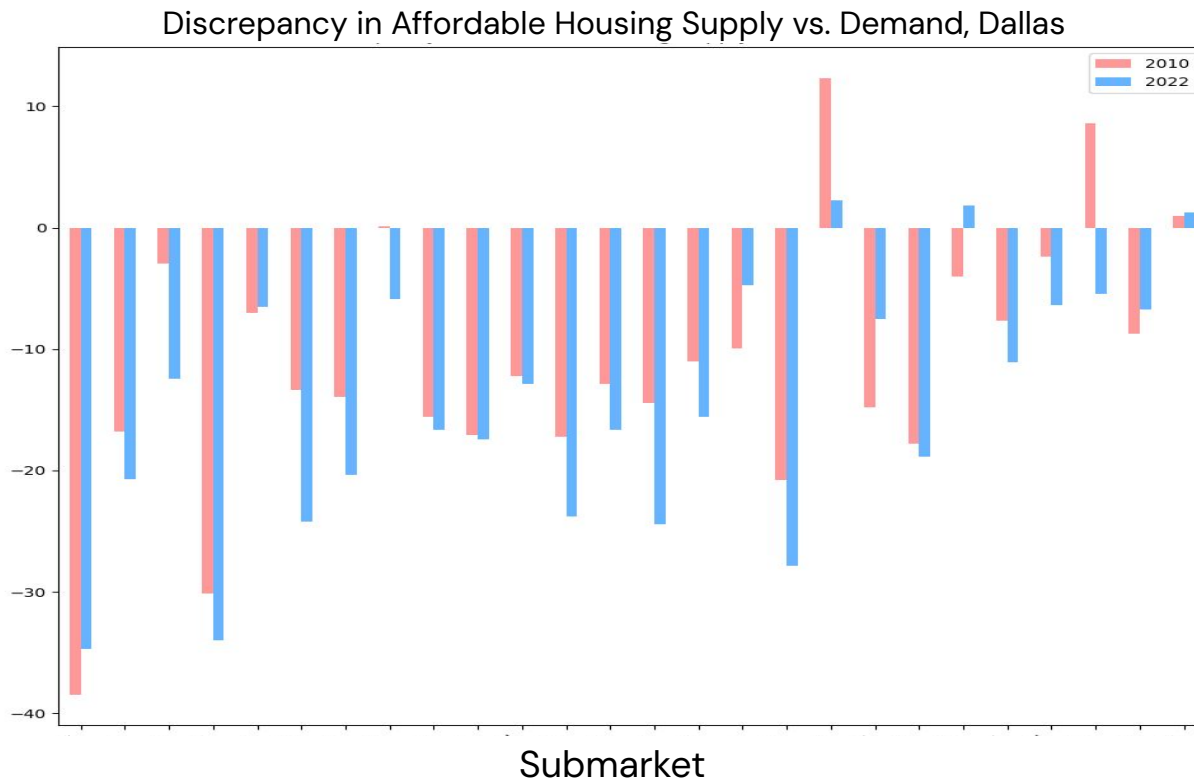
Quantifying Affordable Housing Need

$$AffordableHousingRate_s = \left(\frac{AffordableRentalUnits}{TotalRentalUnits}\right) \times 100$$

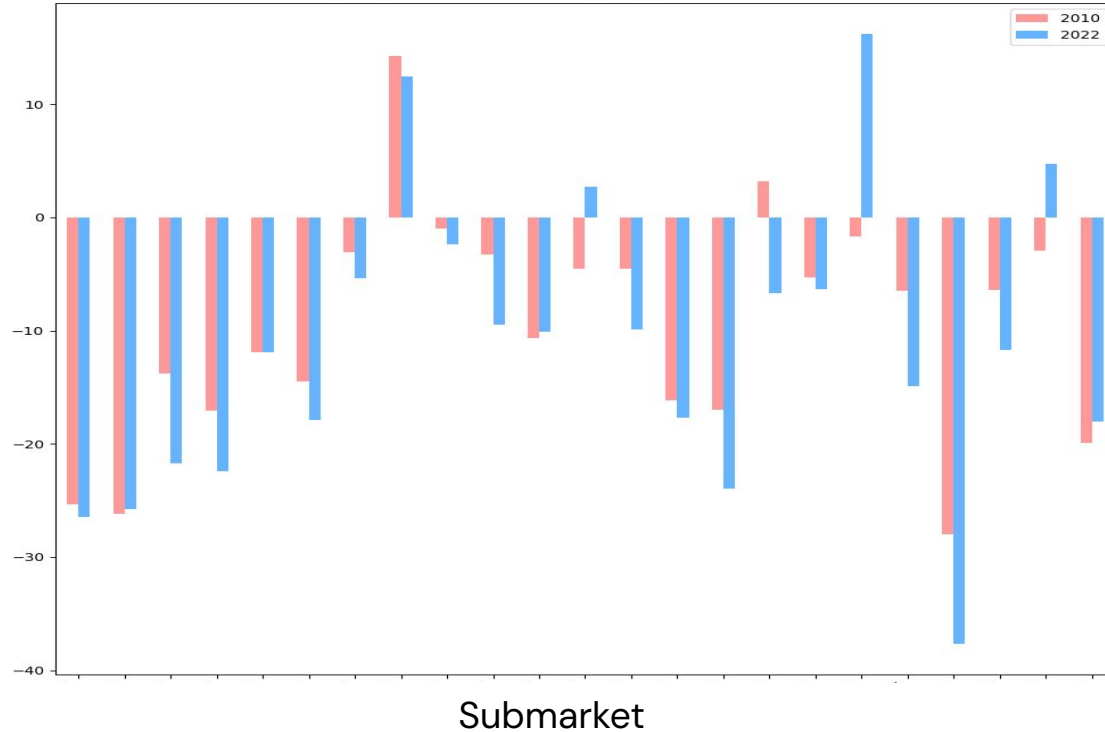$$RentBurdenedRate_s = \left(\frac{RentalUnitsBurdened}{TotalRentalUnits}\right) \times 100$$

$$ExcessAffordableHousing_s = AffordableHousingRate_s - RentBurdenedRate_s$$

Lack of Affordable Housing in Dallas
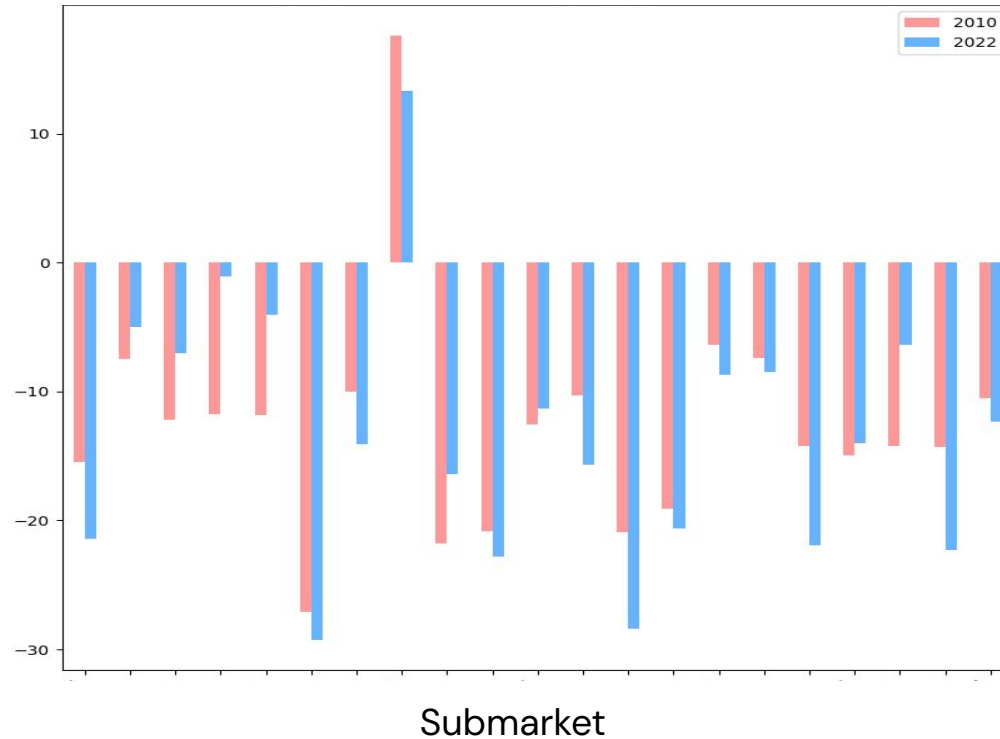

Discrepancy in Affordable Housing Supply vs. Demand, Dallas

... and Fort Worth

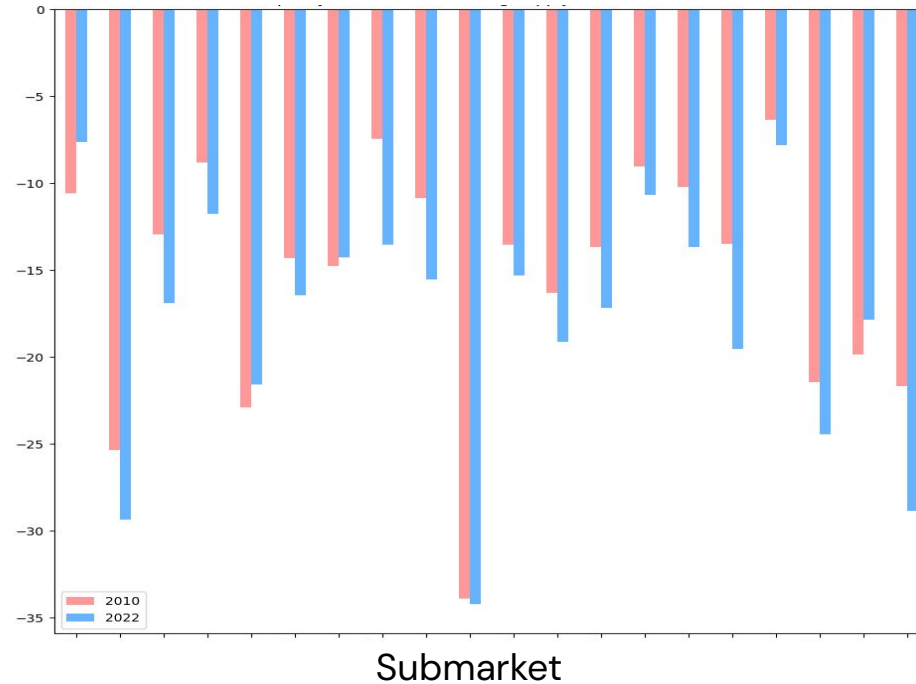### Discrepancy in Affordable Housing Supply vs. Demand, Atlanta

Submarket

… and Atlanta

Discrepancy in Affordable Housing Supply vs. Demand, Atlanta

... and especially Charlotte

Discrepancy in Affordable Housing Supply vs. Demand, Charlotte

Submarket

Results

- Considered factors such as:

  - Population Growth

  - Education Level

  - Race

- Preferred model:

  - (B) Log median income with city fixed effects

  - 1% increase in median income results in a 0.108 unit decrease in affordable housing rate

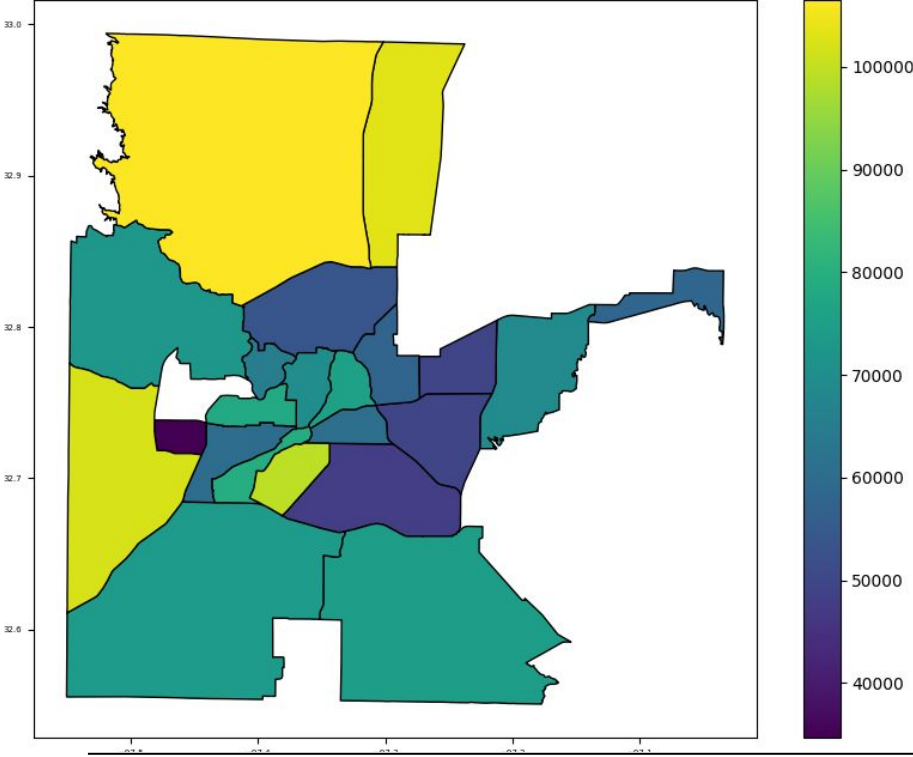Table 2: Impact of Median Income on Affordable Housing Rate, 2022

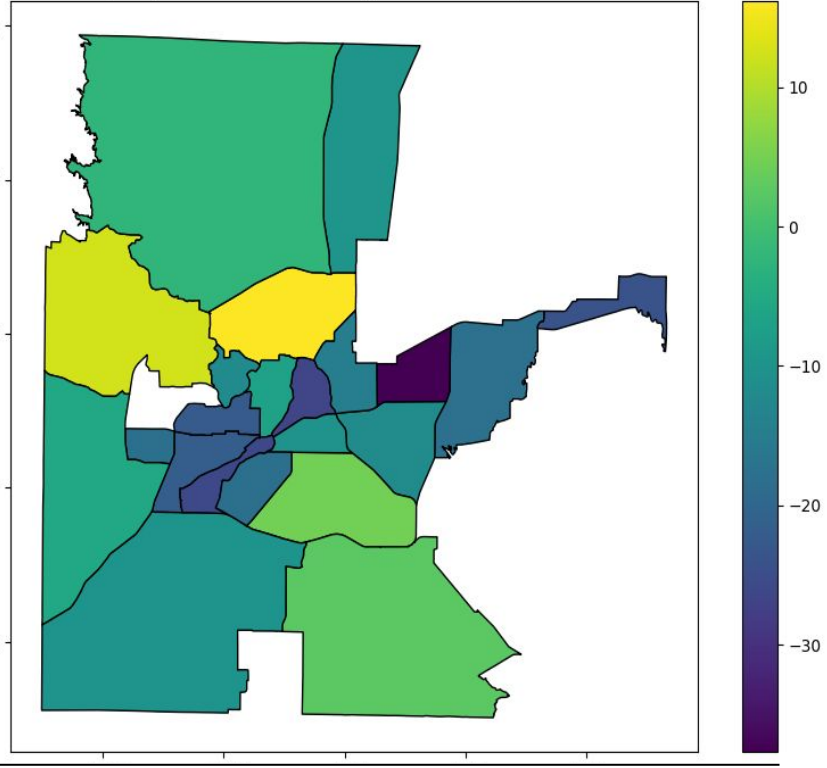|	A	B	C	D
Log Median Income	-9.187***	-10.81***	-7.511***	-7.164***
	(1.089)	(1.158)	(1.921)	(2.114)
Population Growth			-0.000282	-0.000134
			(0.000470)	(0.000482)
Bachelors or Higher			-7.717*	4.163
			(3.546)	(5.980)
Percent African American				0.533
				(0.375)
Percent Asian				0.248
				(0.386)
Percent Hispanic/Latino				0.546
				(0.371)
Percent White				0.464
				(0.384)
Constant	108.2***	121.8***	92.23***	31.81
	(12.16)	(13.45)	(20.74)	(46.28)
Observations	310	310	310	310

Standard errors in parentheses

* $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

Where Does This Disparity Become Most Pronounced? (Fort Worth)

Median Income 2022 - Fort Worth Submarkets

Disparity in Affordable Housing Access in 2022, Fort Worth

Summary

- Affordable housing is **concentrated** in low-income communities

Impact

- Perpetuated **negative housing mobility** in low-income neighborhoods via income isolation (Phinney, 2013)

Sources

Phinney, R. (2013). Exploring Residential Mobility among Low-Income Families. S*ocial Service Review*, 87(4), 780–815. https://doi.org/10.1086/673963

Glossary of Terms to Affordable Housing (2011, August 18). *U.S. Department of Housing and Urban Development.*
https://archives.hud.gov/local/nv/goodstories/2006-04-06glos.cfm

Katz, B., & Wagner, J. (2014, May). The Rise of Innovation Districts: A New Geography of Innovation in America. *Metropolitan Policy Program at Brookings*.