

Introduction/Business Problem

Where to build a new affordable housing development in Chicago?

Background

Chicago may be named one of Pricewaterhouse Cooper's 'Cities of Opportunities' but it is also a city which is highly segregated and suffering from stark income inequality that has been dubbed "a combination of Manhattan smashed against Detroit." (Semuels, 2018) This is especially obvious and divisive when it comes to housing, with some families homeless, a deadly prospect given the freezing temperatures of cities around Lake Michigan. Fortunately, the city government and the Chicago Housing Authority (CHA) have been working to provide rental housing priced below market rates and other housing subsidies to support the poor and disenfranchised. (CBTA, 2018)

Problem

Even though there are 350,000 low-income households, there are only 230,000 units available to these households. (DuPaul, 2018) This shows that there is still a strong need for housing assistance in Chicago. While issuing housing vouchers may help to solve the problem in the short-term, there is a need for the city government and the CHA to build new housing to ensure that there is enough housing stock in the long-term. The question then is where these new affordable housing developments should be built. Ideally, these developments should be in areas where new residents are close to their support networks (presumably other less well-to-do residents who are living in current affordable housing developments) and to amenities that support the residents' lives, such as schools and community centres.

As such, data that might contribute to determining the best location to build these include the current amount of affordable housing stock in each community area. This could be used as a proxy for proximity to friends and family for these new residents, which would be an important consideration for them in choosing which affordable housing development to rent. Other relevant data would be a table of common venues in areas closest to current affordable housing developments.

Interest

This would be of most interest to the city government which has to decide the size and location of new affordable housing developments. After all, the city government would want to choose a location which would best support the lives of their residents. Other stakeholders who might be interested are providers of necessities and services to these residents, such as budget grocery chain stores that accept food stamps.

References

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