Myths and Stereotypes about Affordable Housing

**MYTH:** Affordable housing will drive down property values.

**REALITY:** Repeated research has shown that affordable housing has no negative impact on the price or frequency of sales of neighboring homes. A recent study of four very-low-income family housing developments in suburban Chicago – Victorian Park in Streamwood, Liberty Lakes Apartments in Lake Zurich, Waterford Park Apartments in Zion, and Brookhaven Apartments in Gurnee - revealed that affordable housing can have a positive impact on surrounding property values. A Wisconsin study of housing constructed under the Low Income Housing Tax Credit program concluded that property values surrounding these developments rose, even in relatively affluent areas. In addition, mixed-income buildings can boost the residential real estate market in many areas by replacing the blighted buildings that keep real estate values low. Numerous studies over time from around the country support the general notion that affordable housing has no negative impact on surrounding property values—especially if it is thoroughly integrated into the neighborhood.¹

**MYTH:** Affordable housing will increase crime in the community and bring in undesirable residents.

**REALITY:** Affordable housing can help a community maintain a stable population by making it easier to retain people who already live and work there. There is no evidence that affordable housing brings crime to a neighborhood. In fact, affordable housing, as a tool of economic development, can often help to lower crime rates. The National Crime Prevention Council calls for the construction of affordable housing to reduce crime because “neighborhood cohesion and economic stability are enhanced in areas where the continuing supply of dispersed, affordable housing is assured.”²

Whether a development will be an asset or a detriment to a community more often turns on basic management practices: careful screening, prudent security measures, and

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¹ Mixed-Income Condo Development, Lincoln, MA
² Mixed-Income Townhome Development, Fairfax County, VA
regular upkeep. Most affordable housing residents are seeking safe and decent housing that will allow them to live self-sufficient lives in a good community.

**MYTH:** Affordable housing will look like “cheap housing.”

**REALITY:** Affordable housing must comply with the same building restrictions and design standards as market-rate housing. Builders know that it makes sense to use the same construction techniques and materials for all units in a development. Furthermore, because affordable housing is often funded in part with public money, sometimes it needs to comply with additional restrictions and higher standards than market-rate housing. Groups like the Franciscan Ministries, the Community Housing Association of DuPage, the Lake County Residential Development Corporation (LCRDC) and a number of for-profit housing developers provide strong examples of high-quality affordable housing that blends in with market-rate housing here in the Chicago region. Many developments incorporating affordable units are built as low-rise garden apartments at a scale similar to large houses. Affordable housing is not affordable because it’s built with “sub-quality” materials; it is affordable in the sense that it is less costly to live in because it is supported by additional public and private funds.

**MYTH:** Affordable housing will bring lots of large families to the community, increasing the burden on schools and roads.

**REALITY:** According to the U.S. Census Bureau, rental apartments have fewer children per unit on average than owner-occupied, single-family housing; rental apartments contain a lower percent of units with one or more school aged children; and rental units have a lower average number of motor vehicles per unit. A Massachusetts study found that multi-family housing developments did not increase school costs. Although not all multi-family rental units are affordable, they make up the bulk of affordable housing.

Affordable housing helps reduce the number of cars on the road by allowing working people to live near their jobs. In addition, studies show that affordable housing residents own fewer cars and drive less often than residents of market-rate homes.
MYTH: Affordable housing will reduce the quality of local schools and hurt standardized test scores.

REALITY: Without affordable housing, many families are forced to move frequently, and their children are unable to remain in the same school for long. A Minneapolis study found that children whose families moved during the course of the school year attended school less often and scored significantly lower on standardized tests than those who stayed in one place.\(^6\) Research on Chicago-area residents reveals that students forced to move around are much more prone to drop out of school.\(^7\) Affordable housing minimizes such disruptions to children's education.

Economic integration of neighborhoods is necessary to create regional school systems in which all schools—not just a few—are excellent. Montgomery County, Maryland, has one of the most extensive ordinances setting aside affordable units in any new residential development, and consequently its population is economically integrated. The county also has one of the nation's best school systems, proving that affordable housing may even contribute to school quality.\(^8\)

Affordable housing also helps schools attract and retain the best teachers. School districts across the country have developed innovative affordable housing programs that recognize that it is important for teachers to put down roots in the communities where they teach, and the federal government's “Teacher Next Door” program also helps teachers live in the school districts where they teach at a price they can afford.\(^9\)

MYTH: Affordable housing doesn't contribute to the local tax base and overburdens the local property tax system.

REALITY: Nationwide, the effective tax rate (property tax paid relative to the market value) for multi-family complexes is significantly higher than single-family homes.\(^10\) Thus, multi-family developments pay their “fair share” in local property taxes. A Massachusetts study of 41 towns found that multi-family complexes often generated a profit for local governments.\(^11\) Most cities that have enacted inclusionary zoning ordinances have found that they spur more than enough economic development to keep public finances on a sound footing.\(^12\) Furthermore, as stated above, multi-family housing offers greater efficiency in use of public services and infrastructure.

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Across the country, municipalities with volunteer fire and ambulance crews have been facing pressure to hire salaried personnel as high housing costs force volunteers to move away. Affordable housing can help these communities retain their volunteers and thus keep public safety expenses down.\(^{13}\)

**MYTH:** Affordable housing represents just another government welfare hand-out.

**REALITY:** Wealthy homeowners benefit the most from federal housing subsidies. They receive a federal income tax deduction for mortgage interest paid, which is the largest housing subsidy program in the U.S., and a similar deduction for property taxes paid. In 2003, the federal government spent **$57.2 billion** in housing-related tax expenditures to households in the top income quintile alone.

That number is nearly twice as much as the **$31.8 billion** federal government spent that year on housing subsidies for households in the bottom quintile, those making less than $18,500.\(^{14}\) It is also nearly 40% more than the **$41.5 billion** that the government spent to preserve, maintain, and build affordable rental housing through the entirety of the Department of Housing and Urban Development (HUD) budget ($38 billion) and the low-income housing tax credit program ($3.5 billion).\(^{15}\)

**MYTH:** Affordable housing is not fair; only the very poor benefit.

**REALITY:** A lack of affordable housing negatively affects employers, seniors, poor people, immigrants, entry-level and service sector workers, and public sector professionals such as teachers, firefighters, and police officers. It also impinges on broader quality of life issues such as the economic development of the region, traffic congestion, commute times, and air quality. In short, it affects us all. Effectively solving the affordable housing crisis does not mean addressing the needs of just the poor; it also means addressing the needs of the business community, working- and middle-class families, and the broader population.


7Chicago Coalition for the Homeless.


