

HISPANIC RENTAL HOUSING NEEDS IN THE UNITED STATES: PROBLEMS AND PROSPECTS

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Abstract

Despite substantial housing problems among Hispanic renters, very little research has been done in this area. Analysis of the 1991 American Housing Survey and other data sources indicates that Hispanics have greater affordability problems, worse housing quality, and worse neighborhood conditions than blacks or whites. White rent control offers some relief, community-based housing programs offer the best hope to alleviate the housing situation of Hispanic renters.

Introduction

For many Hispanics, the dream of affordable housing has turned into a nightmare. Considerable numbers of Hispanics face sharply increasing housing costs, narrowing housing choices, and the insecurity of possible eviction. These conditions have led to a steady erosion in living standards for many Hispanic renters. Opinion research shows that Hispanics see housing as one of their worst problems (see Table 1). Adequate and affordable housing is considered more pressing - by a wide margin - than job opportunities, transportation, schools, or police protection.

Although housing is a significant problem for Hispanics, very little research has been done in this area. A survey of the literature indicates that no books have ever been written on the topic of Hispanic housing, and only a few research monographs and journal articles address this issue. For the most part, data on Hispanic housing are spotty, anecdotal, and unsystematic. Most books on housing do not discuss Hispanic housing as a separate category; the small percentage of books that do explore the issue dedicate only a few pages to it. A survey of 11 major books on housing, totaling 3,952 pages, found only seven pages specifically discussing Hispanic housing needs. Eight of the books did not mention Hispanics. Books on Hispanics also neglect the housing issue. Of the 11 books surveyed, only 30 of a total of 2,295 pages discussed housing issues affecting Hispanics.

This paper presents the aspects of housing problems among Hispanic renters and suggests several possible options to alleviate their situation. First, the source of data and methods of analysis are presented. In the second section, the dimensions of the housing problem facing Hispanic renters are addressed and compared with whites and blacks. These aspects include deplorable housing quality, poor neighborhood conditions, and rapidly increasing rents. The third section examines the consequences of rapidly rising rents: shelter poverty, overcrowding, and a decreasing rate of homeownership. Next, the possibility of political action by Hispanic renters to ameliorate their housing situation is discussed. In the fifth section, various possible solutions to the problems of Hispanic tenants are offered. These include rent control, community-based housing, and urban homesteading. Finally, a concluding section offers a summary and concluding implications.

Data and Methods

Data for this analysis were drawn from the 1991 national American Housing Survey (formerly the Annual Housing Survey) conducted by the U.S. Census Bureau for the U.S. Department of Housing and Urban Development; from the 1983 Current Housing Reports

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tables; and from 1970 Census publications. The American Housing Survey (AHS) provides a detailed national analysis of housing and neighborhood needs. As a survey of housing conditions, the AHS is a major improvement over the decennial census. The 1980 Census of Population and Housing provided only two variables to describe the quality of housing: (1) units lacking all or some plumbing and (2) units overcrowded (Gilderbloom & Appelbaum, 1988; Apgar, 1987). The AHS began in 1973 to examine a wide range of housing concerns. The Survey has two major parts: (1) the national survey which examines between 60,000 and 80,000 units on a biannual basis and (2) surveys of 60 selected metropolitan areas in the United States every three to four years. With a sample size of 44,764 in the 1991 version, the AHS provides detailed information on 1,546 Hispanics when compared with non-Hispanics, and on 284 Hispanics when compared with whites and blacks.

Table 1. *Los Angeles Times* poll of most difficult situations.

Situation	Hispanics (%)	Whites (%)	Blacks (%)
Violence	56	43	49
Housing	47	38	34
Job Opportunities	21	9	35
Transportation	19	37	16
Police protection	15	12	24
Taxes	12	14	13
Schools	7	24	10
Places to shop	0	1	2

Source: *Los Angeles Times* 1980.

The scope, precision, and sophistication of the AHS makes it the richest data set on housing. The AHS contains approximately 2,000 variables. However, because data on every variable are not gathered during each survey administration, the AHS of any particular year has approximately six hundred variables. The AHS contains variables on unit size and quality, building age and structure type, housing units equipment and facilities, neighborhood problems and service availability, demographic information on households, income, utilities used and cost, mobility, and housing costs. The AHS, for example, finds that three-fourths of all households report at least one major neighborhood or local problem: litter, police protection, poor schools, abandoned buildings. The AHS also allows cities and regions to be compared with one another along with different kinds of housing and neighborhood situations. Finally, the AHS goes beyond the traditional dichotomy of renter and homeowner by identifying private homes, apartments, mobile homes, condominiums, and vacant units.

The Dimensions of the Housing Problem

Quality of Hispanic Housing

By most criteria, the quality of housing in the United States is the best in the world (Hartman 1983; Gilderbloom & Appelbaum 1988). In general, since 1940 there has been a steady reduction in the number of units that are overcrowded, lacking plumbing, or show signs of structural dilapidation (Gilderbloom & Appelbaum, 1988). Yet many Hispanic renters live in inadequate housing. According to Gilderbloom and Appelbaum (1988), the rate of inadequate housing is highest among very low-income renters (19%) and black households (19%), followed by Hispanic households (12%). There are fifteen conditions which, in various combinations, can cause a unit to be defined as "needing rehabilitation" by the Congressional Budget Office (U.S. President's Commission on Housing, 1981:16).

The quality of housing is especially bad for Spanish-speaking Hispanics. In a survey of Los Angeles renter households, Heskin (1983) found that 41% of the Spanish-speaking renters lived in housing deemed "inadequate" by government housing standards.

Data from the 1991 AHS reinforces many of Heskin's findings concerning Hispanic rental housing quality (see Table 2). Compared with whites and blacks of similar income (less than \$10,000), Hispanic renters clearly have more serious problems with unit deficiencies

on several measures. Low-income Hispanic renters have significantly higher levels of incomplete kitchens (7.6%), incomplete plumbing (9.1%), and mice or rats seen in the last 90 days (18.2%). Low-income Hispanic renters were three times more likely than whites to have household rodents. Nearly one-fifth of the Hispanic renters (18.2%) had cracks in the walls or ceilings, and were twice as likely to have holes in floors than whites. While many housing deficiencies decrease as incomes increase, middle and high income Hispanics still face problems of rodents and incomplete kitchens.

Table 2. Selected quality deficiencies for low-income rental units, by race and ethnicity, 1991.

Deficiency	White (%)	Black (%)	Hispanic (%)	Chi-Square Sig.
Cracks/holes in walls/ceilings	8.9 (2710)	16.1 (906)	18.2 (66)	.00
Holes in floor	2.5 (2710)	4.7 (906)	4.5 (66)	.01
Incomplete kitchen	2.1 (2710)	4.2 (906)	7.6 (66)	.00
Incomplete plumbing	3.8 (2710)	5.1 (906)	9.1 (66)	.07
Loose, broken, missing steps	8.2 (1188)	8.4 (395)	9.1 (51)	.88
No lights in public halls	0.6 (773)	1.9 (265)	2.7 (37)	.30
Mice/rats present	5.2 (2710)	14.6 (906)	18.2 (66)	.00
Toilet broken in last 90 days	8.0 (2661)	11.2 (874)	9.5 (63)	.05
Exposed wiring	2.4 (2709)	5.1 (906)	1.5 (66)	.00
Peeling plaster	6.9 (2710)	12.8 (906)	16.7 (66)	.00
Breakdown of heat	11.1 (1981)	18.4 (712)	25.9 (54)	.00

Source: American Housing Survey, 1991.

Number of cases are denoted in parentheses.

Hispanics increasingly occupy large-scale apartment complexes that house 50 or more units at one address (Gilderbloom & Appelbaum, 1988). Historically, the bulk of rental housing units has consisted of fewer than four units at each address, but recent rental housing construction often involves buildings with 50 or more units. This change of scale has important implications for the overall quality of life for Hispanics. Sociological research has found that large-scale rental units generally have more crime, less community life, and greater community dissatisfaction (Newman 1980; Angrist 1974).

Neighborhood Conditions

Independent of income, race is a factor in determining the overall quality of neighborhood life for tenants. The AHS provides data on the quality of neighborhood life and allows a researcher to break down the data by housing status, income, race, and region in the United States.

For this study, renters were categorized by race and income. Income was divided into three income brackets: low (less than \$10,000 a year in annual household income), moderate (between \$10,000 and \$20,000 a year), and high (over \$20,000 a year).

Of the 22 quality of life neighborhood indicators examined in the 1983 AHS, low-income black and Hispanic renters have inferior conditions relative to whites in almost every case

(see Table 3). Compared with white renters, Hispanic tenants are four times more likely to have rats and mice in their apartments and to have nearly twice the amount of litter, trash, junk, and abandoned buildings in their neighborhoods. Relative to their white counterparts, low-income Hispanic renters are twice as likely to be dissatisfied with neighborhood police protection, recreational facilities, hospitals, and public schools. Overall, almost one out of every four low-income Hispanic renters are dissatisfied with neighborhood services compared with only one out of every nine low-income white renters. Interestingly, the impact of race on the quality of neighborhood life and delivery of essential services seems to virtually disappear when we examine moderate and high income renters. For moderate income renters, roughly one out of every five tenants feel that certain neighborhood conditions are bothersome (Gilderbloom & Rodriguez, 1990). In addition, one out of every seven renters were dissatisfied with neighborhood services. For high income renters, problems with the quality of urban life or neighborhood services are virtually nonexistent. Thus, income appears to be the key determinant in terms of quality of neighborhoods and services, with race only being a factor in low-income neighborhoods.

Table 3. Selected neighborhood characteristics for low-income renters, by race/ethnicity.

Characteristic	Overall (%)	White (%)	Hispanic (%)	Black (%)
Duration of occupancy	45	30	57	54
Signs of rats and mice	9	3	13	19
Structure poor	4	2	5	8
Street or highway noise	20	15	18	25
Streets in need of repair	8	5	8	12
Commercial/nonresident activities	18	13	17	21
Odors, smoke, and gas	5	3	5	7
Neighborhood crime	16	14	13	22
Trash, litter, and junk	12	7	12	20
Boarded/abandoned structures	8	3	7	16
Neighborhood conditions bothersome	24	17	24	32
Neighborhood conditions/like to move	8	6	10	14
Unsatisfactory police protection	7	4	7	11
Unsatisfactory recreational facilities	11	7	15	19
Unsatisfactory hospital and clinic	4	3	6	7
Unsatisfactory public transportation	4	3	3	6
Unsatisfactory neighborhood shopping	7	3	5	12
One + child in public school	4	1	12	9
Unsatisfactory public school	4	2	8	1
Unsatisfactory neighborhood services	19	12	22	28
Unsatisfactory neighborhood services/like to move	5	3	4	7
Overall dissatisfied with neighborhood	4	2	4	7

Source: Annual Housing Survey 1983a.

Note: Low income was defined as incomes of less than \$10,000.

The Rising Cost of Rental Housing

The quality of rental housing can be classified as decent for at least 90% of the nation's renters, yet unaffordable - even by government standards - for over half. Until the Reagan administration revised the standard, HUD had historically classified as "unaffordable" any rental unit that costs more than 25% of household income. The Reagan administration raised the standard to 30%. According to the federal government, a tenant who spends more than 25% of their income for shelter is paying an excessive amount in rent (Comptroller General, 1979; Gilderbloom & Appelbaum, 1988). Based on this rule of thumb, *three-fifths* of Hispanic renters are paying an excessive amount in rent (see Table 4). In addition, two-fifths of Hispanic renters pay more than 35% or more of their income into rent, and one-fourth spend nearly half of their family income on rental housing.

Table 4. Percentage of households paying excessive rents, by region and race/ethnicity.

Total ¹ (%)	All (%)			Black (%)			Hispanic (%)		
	1970	1983	1991	1970	1983	1991	1970	1983	1991
U.S.									
25	36	55	49	43	61	54	36	59	62
35	23	35	31	29	41	35	22	42	41
50	--	22	19	--	27	22	--	26	26
60	--	16	15	--	21	17	--	19	20
Northeast									
25	36	56	54	43	64	61	38	64	63
35	23	37	35	29	43	39	23	49	44
50	--	23	22	--	26	24	--	33	30
60	--	17	17	--	17	18	--	26	25
Midwest									
25	36	54	45	45	65	54	31	64	51
35	23	35	28	31	49	35	19	47	33
50	--	22	17	--	33	24	--	31	21
60	--	17	13	--	26	21	--	24	17
South									
25	35	50	42	41	57	48	33	51	53
35	22	31	26	27	36	31	20	36	30
50	--	18	15	--	24	19	--	22	18
60	--	14	12	--	19	15	--	18	14
West									
25	41	60	57	49	67	65	37	60	68
35	26	38	37	33	45	46	23	40	46
50	--	23	23	--	29	30	--	21	28
60	--	17	17	--	21	23	--	15	20

Sources: (1) Annual Housing Survey 1983a. Tables A-8, A-10, F-8, A-2, B-2, C-2, D-2, E-2, F-10. (2) Annual Housing Survey 1983b. Tables A-2, A-7, A-9. (3) Annual Housing Survey 1991.

¹Gross rent as a percentage of income: 25 = percentage of households paying 25 percent or more of their income into rent; 35 = percentage of households paying 35% or more of their incomes into rent; 50 = percentage of households paying 50% or more of their incomes into rent; 60 = percentage of households paying 60% or more of their incomes into rent.

Unaffordability does demonstrate considerable regional variation. Unaffordability is greatest in the Northeast and West, where in 1991 44% and 46% of Hispanic renters, respectively, paid 35% or more of their income for rent. In these two regions, moreover, three out of ten Hispanic renters paid half their income for rent. And 60% or more of incomes went into rent for one-fourth of Hispanic renters in the Northeast and for one-fifth in the West. The problem of unaffordability is substantially lower in the Midwest and South, yet is still prevalent to a considerable degree. In the Midwest and South, some one-third Hispanic renters pay 35% or more of their income toward rent. One-fifth of Hispanic renters in these regions pay half of their income toward rent. In contrast, a relatively low 17% in the Midwest and 14% in the South pay 60% or more of their incomes for rent. While the percentage of Hispanic renters paying unaffordable rents has steadily risen since 1970, both black and white renters have seen this trend reverse itself beginning in 1983. The problem of unaffordable rents is thus greater for Hispanics than for the overall renter population.

The percentage of Hispanics paying unaffordable rents has increased dramatically since 1970, partly because of lagging wage gains during the 1970s and 1980s. Between 1970 and 1991, Hispanic rents increased 339% compared with an income increase of 190% (see Table 5). In dollars, this change means that in 1970, Hispanics paid a median monthly rent of \$98, but by 1991, that figure had a four-fold increase to \$430. This outpacing of income by rent, however, largely occurred in the 1970s and early 1980s. From 1983 to 1991, rent increased 38%, compared with a 217% increase from 1970 to 1983. Similarly, income increased 91% in this first time period, compared with only 51% in the latter time period.

Table 5. Percentage increase in median gross rent and tenant income for Hispanics.

Area	Median Rent					Median Income							
	1970	1983	1991	1970-1983	Increase	1970	1983	1991	1970-1983	Increase	1970-1991	1983-1991	1970-1991
United States	\$98	\$311	\$430	217	38	\$5,700	\$10,900	\$16,518	91	51	339	51	190
Northeast	101	299	470	196	57	5,800	8,700	15,330	50	76	365	76	164
Midwest	107	270	350	152	30	7,000	10,000	16,660	43	67	227	67	138
South	83	326	335	293	3	4,900	11,100	15,000	127	35	304	35	206
West	98	327	495	234	51	5,700	12,000	17,563	111	46	405	46	208

Source: (1) Annual Housing Survey 1983a. Tables A-2, D-2, A-10, B-2, E-2, F-10, C-2, A-8, F-4, F-5, F-8. (2) 1991 American Housing Survey.

The changing relationship to income and rent showed predictable regional tendencies similar to those in Table 4. The largest disparities in the changes between rent and income were in the Northeast and the West. In the Northeast, rent increased some 365%, while income increased only 164%. In the West, rent increased 405%, while income increased only 208%. Considerably lower increases in both rent and income occurred in the Midwest and the South, which have lower costs of living and lower rents.

Hispanics have a greater affordability problem than black renters (see Table 6). The percentage of Hispanic income paid for rent in central cities rose from 21% in 1970 to 34% in 1991. Over this same time period, blacks paid 23 and 32%, respectively. As also shown in Table 6, the problem of unaffordability has decreased slightly for blacks and renters as a whole while increasing for Hispanics. Thus while all renters experienced a 3% decline and black renters experienced a 1% decline in unaffordability from 1983 to 1991 in central cities, Hispanic renters experienced a 1% increase in this time period (from 33 to 34%). In the Northeast and West areas, the problem of unaffordable rents for Hispanics was most severe.

Table 6. Gross median rent as percentage of income.

(%)	All (%)			Black (%)			Hispanic (%)		
	1970	1983	1991	1970	1983	1991	1970	1983	1991
U.S. central city	21	31	28	23	33	32	21	33	34
Total metroplex	23	32	25	23	32	29	20	32	32
Northeastern									
central city	20	30	32	--	--	32	--	--	36
Total region	20	29	27	23	32	32	21	35	38
Midwestern									
central city	21	31	28	--	--	36	--	--	25
Total region	20	28	23	23	36	30	18	34	26
Southern									
central city	22	29	26	--	--	30	--	--	28
Total region	20	27	23	23	30	29	20	29	27
Western									
central city	24	32	30	--	--	35	--	--	36
Total region	22	30	29	26	33	37	21	32	34

Sources: (1) Annual Housing Survey 1983a. Tables A-8, B-2, F-10, C-2, F-8, D-2, A-2, A-10, E-2. (2) annual Housing Survey 1983b. Tables A-2, A-7, A-9, B-2, B-7, B-9. (3) 1991 American Housing Survey.

Problems of affordability are felt most acutely by low-income households, which are disproportionately black and Hispanic. Table 7 illustrates how rental housing costs are particularly severe for Hispanics with low-incomes. In 1991, over half of the household income of Hispanic families earning less \$10,000 a year went to rent. The problem lessens significantly as Hispanic incomes rise. Rents for the poorest of the poor Hispanics average \$316 a month. Table 7 shows that only when renters' incomes are above \$20,000 a year does the rent-income ratio begin to fall below 25%. It should be noted that almost three-fifths of Hispanic renters' incomes were below \$20,000 (see Table 8). Hispanic renters' incomes are lower than the overall median; consequently, they are especially hard hit by high rents. For example, 29% of Hispanics with average household incomes less than \$10,000 a year pay more than 50% of their incomes into rent (see Tables 7 and 8).

The Consequences of Rapidly Rising Rates

Sociologists argue that rent levels exert a major impact on the lives of tenants. The proportion of income expended for rent can influence the size of households, immediate social relations, education, job opportunities, health care access, and other needs that are spatially located (Gilderbloom & Appelbaum, 1988). When rents rise, tenants have few choices but to pay, move, or double up. While involuntary mobility is an important issue, more relevant

Table 7. Proportion of income spent on rent, by income and race/ethnicity for 1983 and 1991.

Income (\$)	Portion of Income Used for Rent (%)						Gross Median Rent (\$)					
	All		Black		Hispanic		All		Black		Hispanic	
	1983	1991	1983	1991	1983	1991	1983	1991	1983	1991	1983	1991
3,000 or less	60	50	60	34	60	53	237	300	190	250	271	316
3,001-6,999	55	59	50	48	60	73	222	250	194	200	256	325
7,000-9,999	39	47	36	41	44	53	268	315	250	280	301	350
10,000-14,999	31	34	29	34	31	37	306	342	288	340	308	373
15,000-19,999	24	26	24	25	24	31	339	375	321	359	334	440
20,000-24,999	21	22	19	21	20	25	369	400	336	380	369	465
25,000-24,999	17	19	17	18	17	21	398	450	389	425	388	500
35,000-49,999	14	15	13	15	14	16	438	500	408	486	439	550
50,000-74,999	12	13	--	13	--	13	524	600	--	600	--	650
75,000 or more	10	9	--	9	--	8	623	700	--	650	--	673

Sources: (1) Annual Housing Survey 1983a. Tables A-1, E-1, F-9, B-1, A-9, F-7, C-1, A-7, D-1. (2) 1991 American Housing Survey.

in this research is the impact of rising rent on homeownership rates. Each of these effects - shelter poverty, overcrowding, and decreased homeownership rates - has potentially negative consequences for tenants. Because they have the greatest affordability problem (see Table 4), Hispanic renters are especially subject to these consequences.

Table 8. Socioeconomic status of tenants, by income and race/ethnicity for 1983 and 1991-percent.

Income (\$)	All		Black		Hispanic	
	1983	1991	1983	1991	1983	1991
3,000 or less	8	4	14	7	8	5
3,001-6,999	21	12	28	20	23	13
7,000-9,999	11	10	12	11	14	11
10,000-14,999	18	13	17	13	21	15
15,000-19,999	13	12	11	13	12	15
20,000-24,000	9	11	7	10	8	12
25,000-24,999	11	18	7	13	9	15
35,000-49,999	6	12	3	9	3	9
50,000-74,999	2	6	1	3	1	4
75,000 or more	1	3	0	1	0	2

Source: (1) Annual Housing Survey 1983a. Tables A-1, E-1, F-9, B-1, A-9, F-7, C-1, A-7, D-1. (2) 1991 American Housing Survey.

Shelter Poverty

High rents can often be a major cause of tenant impoverishment. When a low-income tenant is paying a large portion of income for rent, cutbacks often have to be made on other basic necessities, such as food, medical care, clothing, and transportation. Stone (1980, 1990) describes this dilemma as "shelter poverty," because the high cost of housing makes other basic necessities of life unaffordable. Given Stone's criteria, data from this study demonstrate that close to three-fourths of the Hispanic renters suffer from shelter poverty (see Table 9). Stone persuasively argues that for many low and moderate income persons, paying even 1% of this income into housing might be too great if other basic necessities are to

be acquired. The Bureau of Labor Statistics calculates a minimum budget necessary to afford "non-shelter necessities at a minimum level of adequacy" which allows one to reasonably calculate how much a person can afford for shelter as a percentage of income (Stone, 1983). Using the Bureau of Labor Statistics minimum budget for a family of four, Stone estimates that tenants with incomes of less than \$11,000 a year will have no money to spend on shelter once all basic, non-shelter needs have been met. Two-thirds of the Hispanic renters find themselves in this situation. Only when family income reaches \$25,000 or more is enough money left to cover all basic items after paying one-quarter of income into rent (see Table 9). Stone (1983) reports that a six-person household would need a total household income of more than \$30,000 to afford to allocate 25% of income for housing. He also found that among families of four earning less than \$15,000 a year, 95% are shelter poor. Stone (1983) estimates that 43% of all households in the United States are shelter poor. Hispanics are particularly hard hit because their incomes are among the lowest of any ethnic group in the United States.

Table 9. Median rent and income ration for Hispanics for 1980 and 1991.

Income (\$)	Population Distribution ¹		Median Rent (\$)		Rent/Income Ration ²		Percentage of Hispanics (%)	
	1980	1991	1980	1991	1980	1991	1980	1991
3,000 or less	232	79	179	316	72	53	10	5
3,001-6,999	616	195	187	325	47	73	26	13
7,000-9,999	422	167	222	350	32	53	18	11
10,000-14,999	519	238	249	373	25	37	22	15
15,000-19,999	264	225	274	440	20	31	11	15
20,000-24,999	156	178	296	465	17	25	7	12
25,000-34,999	101	235	327	500	14	21	4	15
35,000-49,999	29	136	362	550	12	16	1	9
50,000-74,999	4	63	393	650	--	13	0	4
75,000 or more	6	30	423	673	--	8	0	2
Median	\$9,300	\$16,518	\$241	\$430	27	31	--	--

Sources: (1) Annual Housing Survey 1980. Part C, Financial Characteristics of the Inventory. (2) Dulbeare 1983. (3) 1991 American Housing Survey.

¹Number of cases in 1980: 2,349; number of cases in 1991: 1,546.

²Percentages do not equal 100% because of rounding.

Overcrowding

Although data from the AHS show that the amount of overcrowding in rental units has declined since 1973, overcrowding is still a major problem for Hispanics. Hispanics still have the highest percentage of overcrowded rental units compared with all renters and blacks (see Table 10). Nationally, one-fifth of all Hispanic rental units can be classified as overcrowded. In the West, almost one out of every three Hispanics live in overcrowded housing. Overcrowding for blacks has fallen from 22% in 1970, to 9% in 1983, to 6% in 1991. Overcrowding for Hispanic renters has stabilized since 1983. A study of Los Angeles tenants found that 44% of the city's Hispanics lived in overcrowded units. In contrast, only 14% of black and 6% of white tenants were found to be living in overcrowded units (Los Angeles RSD, 1985). In Heskin's (1983) study of Los Angeles County tenants, 31% of the Spanish-speaking Latinos lived in overcrowded units, but only one percent of black and white tenants, and 5% of English speaking Latinos were overcrowded. Data also show that the problem of overcrowding is growing rapidly in numerous cities around the United States (Los Angeles RSD, 1985).

The problem of overcrowding in housing was vividly described on the front page of the Los Angeles Times as a major problem for Hispanics:

The room costs \$260 a month and is barely longer and wider than two beds placed end to end. At one time, because of the housing shortage in

Los Angeles, eight people - four adults and four children; two unrelated families - called it home. Tables, chairs and beds are crammed so tightly together that there is almost no space for walking or playing. Possessions - blankets, clothes, toys for the children, a T.V., portable stereo - are piled high on every surface, and spill over onto more tables and chairs that line the tiny bathroom. A single unshaded light bulb bounces harsh shadows off the green, gold and purple wallpaper that was someone's whim. It was so crowded when eight people called the room home that one man slept in his car every night, while his wife slept with relatives. The crowding eased a bit last month when the man who slept in his car moved out, taking his wife with him. Now there are only six people crammed into that one-room apartment. (Gilderbloom & Appelbaum, 1988)

Table 10. Overcrowding index: Percentage of rental units with more than one person per room, by region and race/ethnicity.

	All (%)			Black (%)			Hispanic (%)		
	1970	1983	1991	1970	1983	1991	1970	1983	1991
United States	11	9	5	22	9	6	28	19	19
Northeast	9	8	4	17	7	7	24	13	12
Midwest	8	6	3	16	9	6	20	12	16
South	15	4	4	29	11	6	35	14	12
West	10	5	9	16	7	4	30	28	29

Sources: (1) Annual Housing Survey 1983a. Tables A-1, E-1, F-7, B-1, A-9, C-1, A-7, D-1, F-9. (2) Annual Housing Survey 1983b. Tables A-2, A-7, B-2, B-7, B-9. (3) 1991 American Housing Survey.

Studies of overcrowding in the United States indicate that it can produce negative social, physical and psychological impacts. Pynoos, Schafer and Hartman (1973) report that "overcrowding may lead to increased stress, poor development of a sense of individuality, sexual conflict, lack of adequate sleep leading to poor work and school performance, and intrafamilial tensions." Schorr (1963) argues that overcrowding is responsible for more health problems than the actual quality of the unit. Baldassare's (1979) national survey of metropolitan areas found that overcrowding can lead to poor marital relations. Research by Booth and Edwards (1976) finds that "household congestion" has a small positive impact on the incidence of sibling quarrels and the number of times parents hit their children. Of the studies done to date, one of the most methodologically sound is the sociological work of Gove, Huges and Galle (1979). Using ordinary least squares multiple regression techniques to control for intervening variables, they found that overcrowding within the home is strongly related to poor mental health, poor social relationships in the homes, and poor child care, and is less strongly but significantly related to poor mental health and poor social relationships outside the home. They further note that, taken together, the three crowding variables explain more of the variance than the combined impact of sex, race, education, income, age, and marital status.

Renting and Home Ownership

High rents may also make it more difficult for Hispanics to buy a home, both because it is difficult for tenants to save enough money for a down payment and because rising rents have been associated with even more rapidly rising home prices and interest rates (Gilderbloom & Appelbaum, 1988). Data from the 1991 AHS reveal that 69.3% of whites owned homes, compared with 45.6% among blacks, while only 19.4% of Hispanics owned homes. For Hispanic renters, this spells serious short and long-term economic loss. In the short term, home ownership affords considerable income tax savings. For the long term, home ownership provides for substantial equity appreciation and can serve as a principal investment for retirement.

Research by Henretta (1984) suggests that a caste system might be evolving in terms of attaining home ownership. Using data from the Panel Study of Income Dynamics, Hen-

retta (1984) found that the probability of children owning a home has a strong positive correlation with parental ownership. The impact of parental ownership as a prerequisite for their children's eventual home ownership has become even stronger since 1974 when housing costs began to rise (Henretta 1984). Because so few Hispanic parents currently own their own homes, Hispanic home ownership opportunities will probably decline even further in future generations.

Los Angeles illustrates the difficulties in becoming a first-time home buyer. A report commissioned by Mayor Tom Bradley on the future of housing in Los Angeles declared:

Many renters must accept the hard reality that they will, of necessity, remain tenants, never being able to afford the substantial down payment and increasing high mortgage payments that homeowners require. Future homeowners, likewise, must accept smaller sized units in higher density lots, often in multiple-story developments. Los Angeles' housing profile in the 1980s will be basically that of a rental community, with ownership options for new owners being available in large part in higher density projects. (Boyarsky, 1980)

This reality stands in stark contrast to the home ownership aspiration of most tenants. Heskin's (1983) exhaustive survey of Los Angeles County tenants found that for those under 40, two-thirds expected to buy a house some day. Tenants' income appears to have little to do with these expectations. A survey of Hispanic renters in Houston found that even among the poorest, a majority felt they would eventually own a home within the next three years (Gilderbloom, Rosentraub, & Bullard, 1987).

Political Prospects for Hispanic Renters

The findings clearly show that Hispanic housing has become a considerable problem since the 1970s. The facts of rents increasing more rapidly than tenants' incomes in the late seventies and eighties, growing shelter poverty, overcrowding, displacement, psychological problems, and, for some, homelessness, raise the possibility of political action among Hispanic renters. In order to measure the political response to these Hispanic housing problems, a survey of renters was undertaken in Houston. The sample for this study was random-digit-dial type drawn from all listed and unlisted telephone numbers in the Houston metropolitan area. The questionnaire obtained the following information: ethnicity of the household, language spoken, type of residence, whether the residence is rented or owned, basic socioeconomic delineators, indicators of housing and neighborhood quality, overcrowding, housing code violations, landlord/tenant relations, community participation such as clubs and political activities, housing costs, and mobility rates (Gilderbloom & Rodriguez 1988). Houston, with one of the largest Hispanic populations in the United States, is a prime area for examining Hispanic rental problems and the possibility for political organization.

In Houston, Hispanics are not members of any tenant organizations (Gilderbloom, Rosentraub, & Bullard, 1987). The authors' survey found that less than one-half of one percent of Houston's Hispanic renters belonged to a tenant organization. A majority of poor Hispanic renters say that they would "talk with other tenants" and "organize tenants" if they felt a rent increase was unfair. Most poor Hispanics felt that organizing among tenants would be "somewhat" to "very" successful, and a majority of Hispanic renters indicated they would participate in collective tenant activities if they had time. A majority of Hispanic renters earning less than \$20,000 a year reported a willingness to attend city council meetings, join tenant organizations, participate in campaigns, contribute money, attend demonstrations, and organize a tenant union (Gilderbloom, Rosentraub, & Bullard, 1987). Less than one-fifth of poor Hispanic renters are registered to vote, which is a major stumbling block to having an impact on city politics. Capek and Gilderbloom (1992) argue that tenant organizations can be an effective means of improving housing conditions. Yet even the poorest Hispanic renters believe that they will be owning a home within the next three years. This belief might explain why renters in Houston have historically not joined tenant organizations.

A majority of each tenure group at every income level favored government action to help alleviate the housing crunch. The survey (Gilderbloom, Rosentraub, & Bullard 1987)

found that more than 75% of the Hispanic renters earning less than \$20,000 a year wanted government to assist developers in building low-income housing. They also wanted more public housing. Only a small minority of Hispanic renters felt that government's role in housing should be discontinued. While the political participation of Hispanics in Houston is relatively low, the possibility for political action by Hispanics in the United States is large and growing. Through coalitions with blacks and other minorities, Hispanics may press for various public policy options to alleviate their rental housing crisis.

Options for Renters and Policy Makers

On the one hand, the private market cannot provide affordable housing for all citizens—especially for poor minorities. On the other hand, reliance on the traditional liberal strategy of providing massive tax breaks and subsidies for builders and landlords has proven to be too costly and inefficient for solving the housing crunch. New and bold measures must be used to combat the housing crisis. Three possible options that have proven to be effective for blacks and other poor that could help to alleviate the situation of Hispanic renters include rent control, community-based housing, and homesteading.

Rent Control

Approximately 150 cities and counties currently have some form of rent control, covering an estimated 10% of the nation's housing stock. Properly applied to Hispanic populations, rent control can result in the creation of affordable housing units and improve neighborhood stability. Rent control laws provide protection against extreme rent increases, unjust evictions and poor maintenance.

Three major forms of rent control exist in the United States: the "stringent" New York City-style laws, "moderate" laws such as New Jersey's, and "strong" rent control such as California's.

In postwar New York City, the classic example and the one typically cited by rent control critics, rent control virtually froze rents over two decades. New York-type controls, most studies have found, have indeed resulted in disinvestment in rental housing and a decline in construction, maintenance, and overall rental property value.

These problems resulted in the introduction of moderate rent control during the early 1970s. These laws guarantee landlords a "fair and reasonable return" that is competitive with other kinds of investments with similar risks. Most of these laws exempt new construction, require adequate maintenance as a condition of rent increases, guarantee annual increases to cover increases in necessary operating costs, and provide for "pass-through" of major capital cost increases.

While moderate rent controls stabilize rents, they fail to reduce the proportion of income being spent for rent. That has resulted in the movement in the late 1970s toward what is known as strong rent control. As applied in the California communities of Santa Monica, West Hollywood, East Palo Alto, and Berkeley, strong rent control holds rent increases to approximately one-half of increases in the Consumer Price Index, prohibits decontrol when a unit is vacated, includes tough enforcement mechanisms, and provides for a rent control board made up largely of tenant activists. With a large Hispanic population in California, and in Santa Monica in particular, Hispanics proved to be an important force in the struggle for rent control (Capek & Gilderbloom, 1992).

Capek and Gilderbloom (1992) have found that Santa Monica's rent control law is likely to stimulate the creation of as many as 6,000 affordable housing units, which would represent almost 20% of the community's rental housing stock. Capek and Gilderbloom (1992) estimate that tenants in Santa Monica will save a cumulative total of \$1.1 billion between 1987 and 1997.

But beyond the tremendous amount of money tenants can save, rent control in Santa Monica is creating greater neighborhood stability, which can translate into a greater sense of community and a reduction in crime. Surveys have shown a doubling in the number of tenants who have lived in the same rental unit in Santa Monica over a 10-year period; the number of tenants who move after six months has fallen dramatically. Study after study has

shown that moderate rent control avoids the problems of New York and provides real benefits for low- and moderate-income people.

In the wake of record low interest rates, landlord profits have risen significantly due to refinancing, while renters have witnessed a steady increase in rents. This seems inequitable since the federal government orchestrated lower interest rates so everyone could get some relief. Landlords should share their mortgage cost savings with tenants. Yet the lesson from California's tax slashing measure Proposition 13 is that landlords are unwilling to pass along savings even in a time of natural sacrifice. Rent control could help bring some fairness to this situation. Rent control is not the ultimate solution, however. It is merely a temporary, stopgap measure that creates a better balance of power between tenant and landlord. Community-based housing offers many benefits that rent control does not.

Community-Based Housing Programs

Community-based housing programs are a decentralized housing strategy that emphasizes empowerment of nonprofit community groups to produce, rehabilitate, manage, or own housing for low-income persons. Most of these groups are managed by people who reside in the housing unit. Restrictions are placed on the resale price to control speculation, thereby insuring that the housing remains affordable. Governmental agencies facilitate community-based housing programs by providing technical advice and funding. Bratt (1989) found that community-based housing is superior over other kinds of low-income shelter programs.

Cooperatives are perhaps the most effective way of reducing housing costs. While cooperatives have been applied to low-income populations in general, Bratt (1989) does show that cooperatives can be effective for Hispanics. Such cooperatives are operated through a nonprofit corporation which holds a single mortgage on the property. The corporation is operated by an elected board of directors. Under a typical arrangement, each new owner purchases a share for a minimal downpayment. In a limited equity cooperative, a resident might pay a \$500 initiation fee to become a member. Monthly payments then include each owner's share of the common mortgage, plus a fee for maintenance and operating expenses. When an owner wishes to move, they sell the share back to the cooperative, which then resells it to a new owner. Since the whole process takes place within the cooperative corporation, no new financing or real estate fees are ever involved. Cooperatives have lower costs because interest rate payments are not subject to escalation, and developer fees are eliminated. Cooperatives with resale restrictions offer a practical example of attractive multifamily community-based housing, since they provide many of the guarantees ordinarily associated with home ownership.

The cooperative is termed "limited equity" because the appreciation in the value of each member's share is limited by common agreement to a low level; cooperative members cannot sell their shares for what the market will bear. In this way, the sales price of units quickly falls below the market price for comparable housing. While a typical home or condominium is sold and refinanced at inflated prices many times over its life span, a limited equity cooperative is never sold. The original mortgage is retained until it is fully paid off, at which time the monthly payments of the owners decrease to the amount necessary to operate and maintain the units. The principal difference between cooperative and private ownership is that within cooperatives, owners may change many times without the cooperative itself ever changing owners. Owners share the full rights and privileges of private owners, including the tax benefits which are not available to tenants in rental housing. Ownership rests in the hands of residents, public agencies, or community organizations. In all instances, management is structured to promote resident involvement and to encourage resident control over the use of space. This structure self-consciously places the value of community above commodity.

A shining example of affordable housing achieved through an innovative partnership among business, community, and government is the Housing and Neighborhood Development Strategies (HANDS) in Louisville, Kentucky (Gilderbloom & Wright, 1993). With the financing of developers and nonprofit organizations, some 200 affordable housing units have been created. One bedroom condominiums sell for as low as \$18,000 (mortgage payment of \$205 a month) and attractive three bedroom, one bath cottages sell for \$51,000 to \$59,000 (mortgage payment of \$350 a month). These activities will create 300 jobs, bringing

an estimated \$15 million in new investment to create affordable housing in Louisville's inner city. Commercial businesses have announced plans to expand or relocate into Louisville's inner city. Roughly one of every ten residents will be assisted by this partnership.

Numerous countries (Canada, Finland, France, Italy, and Sweden) and several U.S. cities (Berkeley, Boston, Los Angeles, New York, San Francisco, and Santa Monica) have enacted programs to create cooperative housing. These actions have led to a dramatic decrease in the percentage of income paid into housing. Sweden stands as a model for this kind of program, and the results have been encouraging (Gilderbloom & Appelbaum, 1988). Sweden has no homeless problem, and slum areas have been eliminated. Adjusting for currency differences, the average household pays half of what the average American household pays in rent. In Sweden, a four bedroom modern cooperative unit with numerous amenities rents for \$205 a month, yet a similar unit in Houston, San Francisco, Los Angeles, New York, or Chicago would cost four to eight times higher.

While it is difficult to predict how successful a community-based housing program would be, Lawson's (1984) evaluation of low-income housing cooperatives in New York City indicates that the level of satisfaction is quite high. Bratt also conducted a survey of residents living in community-based housing and found that a majority indicated greater satisfaction with community and home life. According to Bratt (1989) "62 percent of respondents indicated that their home life is better since getting into mutual housing; 69 percent said that their ability to rely on neighbors when unexpected problems arise is better; and a persuasive 77 percent reported that their hopes for the future have improved." In addition to supplying housing, some of these community-based housing programs provide important social benefits such as programs for the elderly and child care.

Community-based nonprofit housing organizations are increasingly responsible for a growing share of newly created low-and moderate-income housing. According to the Institute for Policy Studies Working Group on Housing (1989):

In Massachusetts about seventy-five nonprofit sponsors have created 7,000 affordable housing units since 1975, with another 2,000 down the pipeline. Total rehabilitation and construction by New York City neighborhood groups is estimated at 3,000 units annually. San Francisco's nonprofit developers, with a later start than many East Coast counterparts and an extremely speculative market, have produced 2,000 to 3,000 affordable units in recent years.

While little equity is earned, the cost of cooperative housing is considerably lower than market rate housing. Cooperative Services in Detroit is able to construct housing at 25% below market cost and rent out units 33% below the cost of comparable private developer units. In Middletown, Connecticut, the Legal Services Foundation has produced cooperative housing for low-income families at \$220 a month plus utilities with no down payment (Franklin, 1981). In Hartford, Connecticut, the Bethel Street Cooperative has used innovative financing mechanisms and special tax breaks to produce four-room apartments at \$185 (Franklin, 1981). In Boston, the Methunion Manor, a 150 unit federally subsidized development, went into foreclosure and was sold to the residents as a limited equity cooperative for less than \$100 per unit. Currently, the monthly payments for each household is \$56, which covers insurance, maintenance, and other expenses (Institute for Policy Studies Working Group on Housing, 1989).

Limited-equity cooperative housing provides the best hope for supplying decent and affordable housing for low- and moderate-income persons. While rent control is useful for organizing tenants politically and for eliminating the most blatant abuses, it is vulnerable to numerous forms of attack from landlords; thus the immediate gain seems short term. On the other hand, limited equity cooperatives provide a solution that will eventually result in even lower housing payments than tenants experience under rent control.

Homesteading

The significant cost savings of cooperatives can be even greater when self rehabilitation is involved. This involves residents providing "sweat equity" in the rehabilitation of an abandoned or foreclosed unit. Sweat equity generally involves exerting physical labor to re-

habilitate the housing unit and ranges from replacing or repairing major structural elements of the house to improving the plumbing, heating, electricity, and other necessities. Contracting out material, equipment, and labor expenses may also be involved. In addition, because the cooperative acts as its own contractor, permits must be applied for from city hall as well as housing assistance contracts. When self help rehabilitation is done, the cost of bringing multifamily housing up to code can be fifty percent of the cost of conventional rehabilitation by private developers. For example, the problem of abandoned housing in Houston could be greatly reduced by the introduction of an urban homesteading program.

Churches, poverty organizations and nonprofit organizations serving disadvantaged groups should begin sponsoring nonprofit housing development and rehabilitation. Abandoned and dilapidated units should be renovated by these organizations. The problem of abandoned housing in cities can be greatly reduced by the introduction of an urban homesteading program. New York and Boston have been able to revitalize many declining neighborhoods, including Hispanic areas, by developing innovative homesteading programs (Leavitt & Saegert 1990; Bratt, 1989). These programs result in greater housing opportunities for disadvantaged persons, an increase in tax revenue, more jobs, and the renewal of neighborhoods.

Conclusion

Hispanic renters have been facing increasing housing problems in the past 20 years that have outpaced the problems of both black and white renters. Partly due to discrimination in the workplace and discrimination in housing markets, and partly due to the lack of political mobilization that blacks have enjoyed since the Civil Rights movement of the 1960s, Hispanic renters face severe problems of poor housing quality, inadequate neighborhoods, and rapidly increasing rents that far exceed increases in incomes. Possible solutions to these problems include rent control as a short term initiative. More importantly, community-based housing can offer the hope of affordable, decent housing for Hispanic renters through the actions of nonprofit corporations. However, these organizations require progressive leadership, combined with grassroots initiatives to turn the American nightmare of unaffordable housing into the American dream of affordable and decent homes for everyone.

While there are presently numerous nonprofit housing corporations working in our nation's cities, federal financial support is needed to continue their important work of providing decent, affordable housing for Hispanics and other minorities, creating jobs for the unemployed, and rebuilding our cities. Hopefully, our political leadership will have the vision and the courage to shake off the old shibboleths, and to take bold and decisive steps in support of progressive housing legislation.

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Gilderbloom and Markham

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Note: Special thanks to the Social Science Research Council Committee for Public Policy Research on Contemporary Hispanic issues which provided John Gilderbloom and Nestor Rodriguez (1990) a generous grant to study Hispanic housing needs. This article has been based on some of this research. In addition, some assistance was provided by University of Louisville HANDS (Housing and Neighborhood Development Strategies) program.