



NETWORK NEWS

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Housing affordability: The litmus test for Chicago's mayor's race, municipal elections for 2007

As local elections loom, a Housing Fact Sheet for CRN released by CRN revealed troubling trends: residents paying more of their income for places to live, a declining number of rental units, and higher housing costs.



"Housing affordability is the litmus test for 2007 elections," said Kevin Jackson, executive director of the Chicago Rehab Network. The analysis, released Jan. 23 via e-mail, is posted on www.chicagorehab.org, and was sent to all mayoral and aldermanic candidates. Major findings in the analysis:

Continued Decline in Rental Apartments: The city lost over 71,000 rental units since 2000. Chicago stands to lose an additional 8,000 federally subsidized units in three years when contracts expire by 2010. The loss of rental units has not been offset, despite the 17,000 condos, homes and apartments Chicago gained in five years that are classified as new housing units. The Chicago Rehab Analysis also includes numbers that show a decline in the numbers of white and African American residents in the city, increased poverty, and

an increase in median rents. **Increased Housing Cost Burden:** Chicago homeowners are struggling with housing costs. Almost half of homeowners spend more than that 35 percent of their income on housing cost. This is a dramatic increase given just 26 percent of homeowners were cost burdened in 2000. Cost-burdened renters, those who pay more than a third of their income for rental housing, is also up. One of four Chicago renters are cost burdened, a number which increased significantly since 2000. The trend portends increased foreclosures, homelessness and greater neighborhood instability.

Housing Costs Rising Higher Than Incomes: The median home purchase price was \$255,000 in 2005, up from \$150,160 just five years earlier. Annual income

needed to purchase a home at this rate would be at least \$68,000. But with current median household income in the city at \$41,015, a decline from \$45,278 in 2000, homeownership remains out of reach for most Chicagoans.

The study was based on an analysis of Census 2000 data and 2005 data from the American Community Survey.

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City of Chicago

HOUSING FACTSHEET

| Population | 2000 | 2005 | Income | 2000 | 2005 |
|-------------------------------------|-----------|-----------|------------------------------------|-----------|----------|
| Total population | 2,896,016 | 2,701,926 | Median household income | \$45,278* | \$41,015 |
| % change since 1990 | 4.0% | -2.9% | HUD's Chicago region median income | \$67,900 | \$68,550 |
| % Immigrant | 21.7% | 21.9% | Households earning below \$25,000 | 349,634 | 330,372 |
| Total Occupied Housing Units | 1,061,921 | 1,020,605 | As a percent of all households | 32.9% | 32.4% |
| Average household size | 2.5 | 2.7 | Unemployment rate | 10.1% | 11.0% |
| % of residents in poverty | 19.6% | 21.3% | *Adjusted for inflation | | |
| *Poverty rate in 1990: 21.6% | | | | | |
| Race & Ethnicity | 2000 | 2005 | Mobility and Migration | 2000 | 2005 |
| White | 1,215,315 | 1,042,025 | (number of households) | | |
| African American | 1,065,009 | 943,752 | Moved 2000 or later | ----- | 544,405 |
| Asian or Pacific Islander | 127,762 | 128,650 | 1995 to 1999 | 562,506** | 151,953 |
| Native American/Hawaiian | 10,290 | 4,583 | 1990 to 1994 | 156,388 | 89,199 |
| Some Other Race | 393,203 | 537,199 | 1980 to 1989 | 140,813 | 99,227 |
| Hispanic or Latino* | 753,644 | 778,234 | 1970 to 1979 | 98,956 | 67,455 |
| | | | 1969 or earlier | 103,258 | 68,366 |

+See Census Brief, *Overview of Race and Hispanic Origin, March 2001*
<http://www.census.gov>

**This census figure includes tallies from 1995 to March 2000.

Key Trends in Housing and Demographics

-Housing cost burden for renters and especially owners has increased substantially. The number of **cost-burdened owners with mortgages jumped in the last five years from 26% to 40%**. Cost-burdened renters increased from 30% to 46%.

-The citywide Median Income shows a 9.4% decrease from 2000 Census.

-While incomes remained stagnant, median home prices increased 65% in the last five years. Median rent levels increased by 27%.

-Housing units increased by approximately 17,000 units. Yet **the city lost over 71,000 rental units in five years.** The city also stands to **lose an additional 8,000 federally subsidized units in just three years** when their contracts expire.

-Poverty level in the city was 21.6% in 1990. In 2005, **the poverty rate has increased back to 1990 levels.**

-The number of new housing units built in the last five years is **almost double the number of units built in the decade between 1990-2000.** Yet the **vacancy rate has increased** from 7.9% to 12.8% and rental vacancy nearly doubled from 5.7% in 2000 to 9.4%

-Population mobility in both the 2000 and 2005 showed more than half of all occupied households in Chicago moved to their current residence in the last 5 years. In 2000, one-third of households moved to their current residence prior to 1990. In 2005, this number dropped to less than a quarter.

-Population decreased overall since 2000. The White and African American population in the city has decreased by 14% and 10% respectively. The Asian and Hispanic populations have increased.

| Housing Units | 2000 | 2005 | change |
|--------------------------------|-----------|-----------|--------|
| Total Housing Units | 1,152,868 | 1,170,187 | +1.5% |
| Owner-Occupied | 464,865 | 494,985 | +6.5% |
| Renter-Occupied | 597,063 | 525,620 | -12.0% |
| Housing units built since 1990 | 52,042* | 91,285 | +75.4% |
| Units built since 2000 | ----- | 44,326 | |
| Vacancy rate (All Units) | 7.9% | 12.8% | +4.9% |
| Homeowner vacancy | 4.7% | 3.0% | -1.7% |
| Rental vacancy | 5.7% | 9.4% | +3.7% |

*This census figure includes only up to March 2000.

| Housing Market | 2000* | 2005 | change |
|---|-----------|-----------|--------|
| Median home value | \$150,160 | \$245,000 | +63.2% |
| Median home sales price (from Chicago Tribune Price Pulse) | \$153,109 | \$255,000 | +66.5% |

*2000 figures adjusted for inflation

| Housing Cost Burden | 2000 | 2005 | change |
|------------------------------|---------|---------|--------|
| <u>Renters</u> | | | |
| % paying over 35% of income | 30.8% | 45.9% | +15.1% |
| Median monthly gross rent | \$616 | \$783 | +27.1% |
| HUD Fair Market Rent (2BR) | \$762 | \$906 | +18.9% |
| <u>Owners with Mortgages</u> | | | |
| % paying over 35% of income | 26.2% | 40.6% | +14.3% |
| Median monthly owner cost | \$1,216 | \$1,678 | +38.0% |

Federally-assisted units

| Project-based Section 8 data as of 10/1/2006 | Expiring by 2010 | |
|--|------------------|--------|
| | Total inventory | |
| Number of Properties | 257 | 84 |
| Total Assisted Units | 26,271 | 8,867 |
| Total Units | 30,693 | 10,573 |

Source: 2000 U.S. Census and 2005 American Community Survey. More detailed information about sources used in this Fact Sheet can found at www.chicagorehab.org or by contacting Chicago Rehab Network at 312-663-3936.

CRN Training Days for 2007

COMMUNITY DEVELOPMENT AND EMPOWERMENT SERIES WORKSHOPS

Community Building
March 8-9

HP 12-C and Spreadsheets
March 22-23

Proforma Development and Analysis
April 5-6

Sources of Development Financing
April 19-20

Single Family Development
May 3-4

Multi-Family Development
May 17-18

Project & Construction Management
June 7-8

Property/Asset Mgt. & Tenant Services
June 21-22

PRESERVATION OF FEDERALLY-ASSISTED RENTAL HOUSING

Four different workshops offering best practices and tactics for preserving expiring, converting, or troubled properties

March 9, May 11, Sept. 21 & Nov. 9

Other upcoming workshops include Green Development and Lead Abatement Strategies.

Federal Housing Platform Unveiled

The CRN federal housing preservation agenda for national work with other organizations, key Illinois congressional lawmakers who enjoy seniority and can have an impact on legislation was distributed at the Jan. 25 membership meeting. Anyone who wishes to receive a copy of the agenda can contact Gene Moreno at 312 663-3936, or e-mail gene@chicagorehab.org.

The federal agenda calls for:

- Appropriation of funds sufficient to renew expiring project-based contracts.
- Provision of preservation funding matching grants including for LIHPRHA.
- Appropriate sufficient funds to encourage renewal of Rural Development housing.
- Reauthorize Multifamily Assisted Housing Reauthorization Act.
- Renew Section 311, Upfront Grants, and other policies to preserve HUD Troubled Properties.
- Renew authority of Section 318 to facilitate transfer of project based Section 8 contracts.
- Reactive and fund Section 514 technical assistance program.
- Ensure preservation as an eligible use of National Housing Trust Fund proposal.
- Provide for preservation incentives for expiring mortgages including tenant protections.
- Extend enhanced voucher provisions to replace all units, not just currently occupied.
- Eliminate eligible project status for Sec 8 Mod Rehab properties seeking LIHTCs.
- Secure Exit Tax Relief where property is sold to preservation purchaser.
- Clarify state and local authority to enact preservation laws.

Marking a decade of training and capacity building success

The Chicago Rehab Network held a celebration Nov. 9 marking over a decade of training stakeholders, community-based organizations and community development corporation capacity building.

Over 300 guests attended the gathering, which included alumni, CRN members,

foundations, many allies and supporters as well as graduates of the Urban Developers Program and the Empowerment Series. The program participants and instructors were presented with certificates of accomplishment and honored for the contribution to the field of community development and commit-

ment to affordable housing. The evening was a good mix of mingling and reunion as former classmates reconnected and others networked with professionals in the room. CRN exec. Dir. Kevin Jackson and board chair Pat Abram, made brief remarks. State Rep.



Art Turner, who is on the board of Lawndale Christian Development Corp., also spoke.

Rep. Turner asked the crowd to continue to support CRN as the non-profit marked a decade of training.

Photo: Bob Black



Major grant from MacArthur

Jonathan Fanton, left, MacArthur Foundation congratulates CRN board chair Pat Abram, executive director Kevin Jackson, with MacArthur board chair Sara Lawrence-Lightfoot. The Chicago Rehab Network was one of nine groups honored by the MacArthur Foundation during an Oct. 5 awards ceremony in the Windy City. The award included a \$250,000 grant to use as reserve funds for the non-profit.

TAKIN' NOTE

Bethel New Life will hold its 21st Annual Gumbo Gala and Awards Ceremony, 6 pm to 10 pm, the Great Hall at Union Station, 225 S. Canal St., in downtown Chicago, on Feb. 13. ... We wish a fond farewell to **Sara Jane Knoy**, who is no longer with **ONE**, but was a stalwart advocate for a decade. ... We also mark with sadness the closing of the **Neighborhood Capital Budget Group**, which ceased operations as of Feb. 1. In a notice send to friends and allies, NCBG

said that after years of funding difficulty, changing funding streams and efforts to secure new funding, the organization simply could not sustain itself. The notice also announced a March 15 reunion celebration of NCBG's achievements at the Garfield Park Conservatory Community Room, 300 N. Central Park Avenue. The event is scheduled for 5 pm to 7 pm.

We applaud NCBG for its fine work, a contribution that will be sorely missed. ...

Congratulations to **Bickerdike Redevelopment Corp.**, for winning the *Maxwell Award for Excellence, Most Impressive Overall Affordable Housing Benefit*, from the Fannie Mae Foundation, for reclamation of vacant land in southeast Humboldt Park through development of the Harold Washington Unity Cooperative. ... The *Affordable Housing Fact Book* and Preservation Clearinghouse links are available online at: www.chicagorehab.org.



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