RENTING

Despite Support, Affordable Housing in Chicago Remains in Crisis

More than half of all renters nationwide pay 30 percent or more of their income for housing

By Mark W. Anderson | Monday, Dec 16, 2013 | Updated 10:50 AM CST

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Increasingly, it's becoming harder and harder for Americans to afford rental housing nationwide. And in Chicago, the situation is getting worse.

A study released last Monday by the Joint Center for Housing Studies at Harvard University showed more than half of all renters nationwide paid 30 percent or more of their income for housing in 2010, an increase of 12 percentage points over a decade.

In 2011, the report said, renters paid an average of $725 a month excluding utilities. With utilities, the median total rent burden was $843, or $10,116 annually.

"We are in the midst of the worst rental affordability crisis that this country has known," Shaun Donovan, U.S. Secretary of Housing and Urban Development, said last week.

While increased housing costs can affect renters of all income levels, the report also suggests dedicating such a large amount to housing often leads to significant financial hardship, particularly for renters earning less than $15,000 annually. On average, such renters spend $130 a month less on food, and also cut back on health care and retirement.

Increases in housing costs can contribute to higher rates of homelessness, a trend underscored a report released Wednesday by the U.S. Conference of Mayors. The survey of 25 large and mid-sized metro areas, including Chicago, found homelessness and hunger have increased and are expected to keep rising in many cities next year.

Chicago reported an 11.4 percent increase in the number of homeless families since last year, with requests for emergency food assistance up 6 percent.

Chicago residents are being hit particularly hard when it comes to shouldering an increasing burden of their total income for housing. From 2000 to 2010, the median monthly gross rent in Chicago went from $780 to $916, a jump of over 17 percent, according to the Chicago Rehab Network.

More important, the number of renters in the city paying more than 30 percent of their income in housing costs jumped 32.5 percent. Those numbers skyrocketed at higher rent levels, with the percentage of those paying 30 percent or more within the $1000 to $1500 range leaping 115.6 percent during the decade.

For home owners the numbers are even worse, with the median monthly dollar amount increasing 25.6 percent during the period, and more than 78 percent paying more than 30 percent in monthly costs.

These figures come against a backdrop of city, state and federal efforts to address diminishing levels of affordable housing.

On Monday, Governor Pat Quinn announced more than 1,470 affordable apartment will be created or preserved across the state.

Earlier this month, the Federal Home Loan Bank of Chicago awarded more than $28 million to help finance 99 affordable housing projects, primarily in Illinois and Wisconsin.

In September, Mayor Rahm Emanuel offered $25 million in tax-increment financing to help redevelop the historic Rosenwald Apartments at 4600 S. Michigan.

Cook County Commissioner Bridget Gainer has spearheaded the push to create the Cook County Land Bank, a new agency that will buy abandoned homes and demolish some while rehabbing others and putting them back into productive use.

Yet, in many ways, the situation in Chicago remains dire. In Thursday testimony before the City Council Committee on Housing and Real Estate, Kevin F. Jackson, Executive Director of the Chicago Rehab Network, pointed out that In 1990, less than a quarter of Chicagoans were paying more than they could afford for housing, while today the number is more than half.

The city also still struggles to maintain affordable housing in the face of potentially more lucrative development projects, a situation exemplified by the current push to retain the Lathrop Homes public housing complex on the city's North Side.

The CHA has unveiled plans to turn part of the location into retail paces and possibly a high-rise apartment tower.

For Jackson, the challenge is to recognize the larger reality a lack of affordable housing has on developing and retaining healthy communities.

"One of the overarching concerns around affordable housing is that historically, it's one of the key ways we built a solid middle class," he told Ward Room. "What you see in Chicago today is affecting all income levels across the city. That's what these numbers show, and the figures collaborate a reality we ignore at our peril."

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