

## **Chicago Rehab Network E-Newsletter February 2007**

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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 Chicago 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](http://www.chicagorehab.org), and was sent to all mayoral and aldermanic candidates. Major findings in the report are shown below.

**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 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. 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 press release and the fact sheet are available at [www.chicagorehab.org](http://www.chicagorehab.org).

Download the CRN Housing Trends Fact Sheet at [www.chicagorehab.org](http://www.chicagorehab.org).

**\* HOT STUFF: Major Victory Scored by National Housing Advocates**

Last Wednesday, January 31st, the House voted 286-114 to pass a FY07 joint funding resolution that includes increased funding for vouchers (\$487 million increase), public housing (\$300 million increase), project-based Section 8 (\$939 million increase) and homeless assistance grants (\$115 million increase). These increases mean that currently assisted families will not lose their housing assistance in the coming year. National advocates were able to achieve a total increase in the HUD budget of \$1.74 billion above the previous year.

The resolution also includes important policy victories, including alteration of the dysfunctional voucher funding distribution system, which has been in place since 2004 and has cost the nation 150,000 housing vouchers. Other important policies include extended authorization for HUD's Mark-to-Market, HOPE VI and homeless assistance programs through 2007.

This bill is a major victory for housing advocates and residents of public and assisted housing, providing much-needed and long-awaited resources to under-funded housing programs. Thank you to all those who responded to CRN's Advocacy Alert and contacted their Representative - stay alert as the Senate is expected to take up the bill within the next couple weeks.

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**\* 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](mailto: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 eauthorization Act.
  
- \* Renew Section 311, Upfront Grants, and other 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.

The agenda also includes:

\* Eliminate eligible project status for Sec 8 Mod Rehab properties seeking LIHTCs.

\* Clarify state and local authority to enact preservation laws.

\* Ensure that owners remain bound by Section 8 rules until one year after legally sufficient notice.

\* Chicago Defender, Media Coverage Highlights Housing Trends Study  
The Chicago Rehab Network's Housing Trends study was featured on the Jan. 24 cover of the Chicago Defender newspaper. Two days later, the Defender ran an article with mayoral Bill "Dock" Walls presenting his plans for affordable housing.

Kevin Jackson, Chicago Rehab Network executive director, also appeared on the Roland S. Martin Show on WVON-AM radio to discuss the study. In addition, the North Lawndale Community News (west side), News-Star Pioneer Press newspaper (north side), and the Chicago Crusader and Chicago Citizen (south side) also covered or mentioned the study.

The piece also referred to the Chicago Rehab Network Housing Trends Study, which is available at [www.chicagorehab.org](http://www.chicagorehab.org).

Read the Defender article on the Housing Trends Fact Sheet on-line.

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**\* 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.

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