ESTIMATING DEMAND FOR AFFORDABLE RENTAL HOUSING IN THE CHICAGO REGION

Technical Report
and
Findings

Janet L. Smith
Assistant Professor
Urban Planning and Policy Program

Barbara Sherry
Research Assistant
Great Cities Institute

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The Regional Rental Market Analysis
Project Overview

Estimating Demand for Affordable Rental Housing in the Chicago Region, is one of seven technical reports of the Regional Rental Market Analysis (RRMA), a broad examination of metropolitan Chicago's residential rental market. The RRMA contains a wide range of information necessary to craft innovative policies, programs, and investment strategies to address the future of the region's housing market. The Metropolitan Planning Council, serving as project manager, contracted with the University of Illinois at Chicago (UIC) to undertake this research with the Washington, DC-based Urban Institute and the local Applied Real Estate Analysis.

Key findings from all seven reports are summarized in ***For Rent: Housing Options in the Chicago Region***, which includes a synthesis of supply and demand data, discussion of overlap and differences among providers and consumers, information about neighborhood trends, and forecasts of the rental market in 2004 and 2009. Detailed descriptions of the contents and methodology used in each of the seven technical reports are provided below.

1. ***Metropolitan Chicago Regional Rental Market Analysis: Rental Housing Supply Survey Report*** by Timothy P. Johnson, Martine A. Sagun, Jonathan Dombrow, Jin Man Lee, and Young Ik Cho, Survey Research Laboratory, UIC.

   Summary of findings from survey of a stratified random sample of rental properties in the six-county region that asked for information on number of units (occupied and vacant); rents charged in 1998, 1999 and for new tenants; amenities included in housing cost; year building constructed; whether it contained an elevator; and if there was management on-site. Using tax assessor data from each of the counties, a universe of all residential properties was sorted by the likelihood of being renter- or owner-occupied based on tax status and other indicators. This list was further sorted by building type (single-family, small multifamily, large multifamily).

   From this database, a sample of 29,000 properties was randomly selected but stratified based on building type and location, and mailed or faxed questionnaires, contacted by telephone, or some combination of all three methods between April and July of 1999. In addition, a non-response survey of 300 randomly selected properties was conducted in July and August 1999 to verify results from respondents and further clarify the eligibility rate of properties in the sample frame. At the close of data collection, 1,852 interviews were completed representing over 45,000 units in the six county area. The final response rate of 14.1 percent was based on an overall eligibility rate of 45.1 percent.

2. ***Condition Survey: Chicago Regional Rental Market Analysis*** by Robert Miller, Applied Real Estate Analysis, Inc.

   Survey of over 1,600 properties in the six-county region drawn from the survey sample during May of 1999. Properties were randomly selected to represent housing in three areas: City of Chicago, suburban Cook County and the collar counties (Kane, McHenry, Lake, DuPage and Will). Trained fieldworkers using a questionnaire completed a visual inspection and assessment of building exteriors and surrounding neighborhoods, to assess overall housing quality and wheelchair accessibility.

3. ***Estimating Demand for Affordable Rental Housing in the Chicago Region*** by Janet L. Smith and Barbara Sherry, Urban Planning and Policy Program, UIC.

   Estimates of aggregate households--families, individual adults, or non-related persons living together--at different income levels to determine potential rental housing demand based on affordability (paying no more than 30 percent of income toward housing costs) using household income projections from Claritas for the six-county region and each county. Data from the 1995 American Housing Survey was used to estimate the number and rate of households paying more than 30 percent of income for rent, living in overcrowded conditions, or in substandard housing. Additional data was collected and analyzed to learn more about the specific needs of different "demand groups" including persons who are homeless; who need accessible housing due to mobility limitations; who are may be in need of affordable rental housing closer to work and employment opportunities; and who are likely to be affected by changes in Section 8, public housing and/or welfare. A wide variety of new and existing data sets are analyzed.

4. ***Providing Rental Housing in the Chicago Region: Challenges and Issues*** by Thomas J. Lenz and James Coles, Great Cities Institute, UIC.

   Review of general literature of what is known nationally and locally about barriers and opportunities to provide rental housing, utilizing interviews with more than 40 key informants and five focus groups representing landlords, developers, public officials, and other experts on housing in the region. Focus group participants were selected randomly from the larger sample developed for the rental property survey and through outreach to rental property owner associations. The participants were stratified by their involvement in the Section 8 program and rents charged. Specific areas of focus included perceptions of the rental market and how it has changed in recent years; how the current market shapes landlord behavior; general attitudes toward lower-income renters; and specific knowledge of and experience with the Section 8 rent subsidy program.

5. ***Searching for Rental Housing in the Chicago Region*** by Susan J. Popkin and Mary K. Cunningham, The Urban Institute.

   Review of general literature of what is known locally about barriers and opportunities to renting housing. Focus groups with families likely to be affected by public policy changes were used to hear about the experiences and perceptions of low-income renters. Participants included households renting apartments using Section 8 housing vouchers, families that tried to use but returned Section 8 vouchers, families currently on the waiting list for a voucher, and current Chicago Housing Authority (CHA) tenants likely to move into the private market using a voucher. The groups discussed current living conditions, understanding of and experience with the Section 8 program, their search process, and any difficulties they have encountered. CHA residents were also asked about their knowledge of CHA’s redevelopment plans, their preferences for future housing, and familiarity with the Section 8 program.

6. ***Forecasts of the Rental Housing Market in Metropolitan Chicago: Model and Preliminary Results*** by John F. McDonald and Daniel P. McMillen, Center for Urban Real Estate, College of Business Administration, UIC.

   Modeling exercise that presents likely vacancy rates and rental variation for 2004 and 2009. Estimates are also produced based on different scenarios regarding the number and likely destination choice of CHA tenants expected to relocate within the private rental market.

7. ***Housing Trends and the Geography of Race, Poverty, and Neighborhood Renewal*** by Thomas J. Lenz and James Coles, Great Cities Institute, UIC.

   Description of current patterns of racial segregation and poverty concentration in Cook County, which has most of the area's rental stock (79%), and analysis of socio-economic and investment data using maps with input from key informants in order to determine revitalizing areas. This report also explores different scenarios on how residents relocating from CHA units being redeveloped, whether permanently or temporarily, might affect existing neighborhood patterns and local housing markets.

The project was funded by numerous private and public sources, including the Chicago Department of Housing, Chicago Housing Authority, Chicago Community Trust, Field Foundation of Illinois, Inc., Lloyd A. Fry Foundation, GATX Corporation, Illinois Housing Development Authority, Bowman C. Lingle Trust, The John D. and Catherine T. MacArthur Foundation, Old Kent Bank, U.S. Department of Housing and Urban Development, Woods Fund of Chicago

For more information about the Regional Rental Market Analysis or to request or download copies of the executive summary or of a technical report, contact:

Metropolitan Planning Council
25 E. Washington, Suite 1600
Chicago, IL 60602
Tel: 312-922-5616
www.metroplanning.org

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1. INTRODUCTION

The Chicago region[1] has grown dramatically this decade, increasing its population by seven percent between 1990 and 1998.[2] Concurrently, there has been a residential real estate boom, making this area the fourth busiest market in the country.[3] In general, much of the relative growth in population has occurred in the collar counties where most of the new housing stock added has been single-family and for sale.[4]

Despite the boom, there is a concern that many households find it difficult to locate rental housing in the market without being burdened by excessive housing costs.[5] In part, rising housing costs in high growth areas are assumed to be affecting all income groups. However, lower-income households, particularly families and older householders with limited resources, have not necessarily seen their income keep pace with increasing rent rates.[6] These conditions are likely to be compounded with federal policy changes in the welfare system, public housing, and subsidized housing, raising doubts that an already constrained rental housing market will be able to meet an increased demand for affordable housing.

In order to document current and future demand for rental housing in the Chicago region, we first looked at aggregate demand across the region by income groups as well as by specific conditions including housing quality, rent burden and overcrowding. We then examined housing demand among specific groups of people, including persons who need wheelchair accessible units, persons who are homeless or without permanent housing, and low-wage workers. Finally, we looked at special groups whose housing situation may be changed in the near future as a result of policy. This includes residents currently living in private developments that are Federally subsidized, public housing tenants likely to be relocated from sites being redeveloped, households that are eligible for and likely to receive Section 8 vouchers in the coming year, and families receiving Temporary Assistance for Needy Family grants living in the private market.

Report Structure

This report brings together a wide assortment of data about the Chicago region. Section 2 summarizes a wide range of data that clearly shows general population growth overall and specific changes in different counties that have shaped regional rental housing demand since 1990. To better understand specific issues affecting households currently in the rental market, we reviewed data from the American Housing Survey for the Chicago Metropolitan Area. This data is then used to generate an estimate of current demand for affordable rental housing in the Chicago region based on income level and the degree to which households are likely to be paying more than 30 percent of their income for housing at all price points. Our analysis focuses on gauging the proportion of renters already in poor quality stock, overcrowded conditions and/or paying rents that exceed the 30 percent of income rule.

[1] This includes Cook, DuPage, Kane, Lake, McHenry, and Will Counties.
[2] Northeastern Illinois Planning Commission, *U.S. Census Bureau Population Estimates for NIPC Area Counties, 1990-98*.
[3] *Chicago Tribune*, April 26, 1998.
[4] Northeastern Illinois Planning Commission, *1995-1999 Residential Building Permits issued by Municipality*.
[5] The Department of Housing and Urban Development assumes that housing is affordable as long as the household pays no more than 30 percent of their income toward rent or housing payments.
[6] Between 1991-95, rents increased 15.4% compared to an 11.4 percent increase in the Consumer Price Index.

Section 3 provides background data and estimates of demand among specific groups of people whose housing needs may not be met in the current rental housing market. This includes 1) persons with mobility impairments that require physical adaptations to make units accessible, 2) homeless persons who are without permanent housing, either doubling up with family or friends or living in shelters or on the street, and 3) low- wage workers who are likely to benefit from living within a short commute time to work.

Section 4 looks at what effects recent changes in federal support programs might have on demand in the near future. We focus on what effects public housing redevelopment and consolidation, "welfare reform," the restructuring of project-based subsidized housing, and future use of tenant-based Section vouchers will have on future demand. All are assumed to have the potential to significantly impact rental housing demand in the Chicago area, especially for units at or below median rent levels.

Section 5 provides the framework in which these different demand groups are merged and any overlap is reconciled. The Appendix (Section 6) contains detailed data tables and other resources used to generate estimates of demand.

Key Findings

Among the many findings presented here, six overarching themes stand out:

1. Population growth continues to push out from Chicago and Cook County.

> Even though there was a net gain in population in Cook County and the City of Chicago between 1990 and 1998 -- reversing negative trends in the previous decade -- population in the surrounding counties increased at much faster rates, generally 10 to 30 times that of Cook County.

2. Although population increase has been shaped differently in each of the six counties, all have become more racially and ethnically diverse since 1990.

> Based on 1998 estimates, Cook County continues to have the greatest number and proportion of African-Americans, Latinos, and Asian and Pacific Islanders. While the numbers of non-whites remain relatively small in surrounding counties, each has seen a 20 percent or more increase in all these groups since 1990, with Kane, McHenry, and Will Counties increasing by more than 50 percent.

3. Most of the region's renter households continue to be located in the City of Chicago and suburban Cook County.

> In 1999, an estimated 1,024,000 households in the region rent, with nearly eighty percent living in Cook County. While Chicago is the center of the region's rental housing market with approximately 56 percent of the stock,[7] it makes up only 36 percent of the total

[7] See *For Rent: Housing Options in the Chicago Region.* UIC. 1999.

population. In comparison, the collar counties have 34 percent of the population but only 21 percent of the rental housing stock. This pattern is expected to continue, especially given the fact that ownership rates continue to be greater than 70 percent outside the City of Chicago.

4. A large portion of renters regionwide continue to pay too much of their income for rent.

Trends within the region based on data from the American Housing Survey for the Chicago Metropolitan Area between 1987 and 1995 indicate that the proportion of renters in the region paying more than 30 percent of their income towards rent increased between 1991 and 1995, but that it has decreased overall since 1987. While the percentage of rent burdened households has decreased in Chicago since 1991, the number and percentage in suburban locations increased between 1991 and 1995. Based on 1999 estimates, between 357,000 and 411,000 renters paid more than 30 percent of their income for rent.[8] Of these renters, about one-third paid more than 50 percent of their income for rent.

5. While housing affordability is an important concern for <u>all</u> low-income households, it can be a more acute problem for people who have other factors shaping their housing needs, including physical impairments, experience being homeless, and needing access to entry level jobs.

- Approximately 41,000 different people in the six county region stayed in shelters in the past year, and another 40,000 to 60,000 people are assumed to have been on the streets for at least one night during this time. In addition, 32,000 to 65,000 households are likely to have "doubled up" during the course of the year. Aside from affordable housing, many also need supportive services.
- Across the region, approximately 57,000 people over the age of 6 use a wheelchair. An estimated 174,000 households have a person with a mobility limitation. Most of these households need units that are accessible in terms of building and unit entrance, as well as maneuverability within halls and bathrooms. While not all of these households require low-cost rental housing, many are low-income. For example, we estimate that 37 percent of all households with mobility limitations are also with income levels below $20,000.
- We estimate that between 264,000 and 395,000 workers in the region's entry level jobs cannot afford housing that costs more than $750 per month.[9] Furthermore, while most job openings are in suburban locations, both in Cook and in surrounding counties, most people seeking these jobs live in Chicago, which can require one-way travel times of 90 minutes or more (see Figure A-8 in the appendix). Recent surveys of employees working in suburban locations suggest that many of these workers may be interested in moving closer to work if affordable housing options are available in order to reduce travel time and cost.[10]

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[8] This includes both subsidized and non-subsidized renters. In 1995, the American Housing Survey (AHS) indicated that approximately 14 percent of residents living in housing units with government subsidies paid more than 30 percent of their income for rent.

[9] This assumes a household income of approximately $30,000.

[10] See A Preliminary Investigation into *Area Employee Perceptions and Satisfaction with Local Housing Affordability, Job Commute Time and Related Issues*. Housing Foundation of Will County, 1997; and Margaret M.

6. Public housing redevelopment and restructuring Section 8 properties has the potential to further expand the demand for affordable low-cost rental housing in the private market.

- Four out of five TANF recipients, or 67,000 families, do not benefit from housing subsidies.[11]
- More than 60,000 households region-wide are currently on waiting lists for Section 8 vouchers to help subsidize their rent in the private market, whether in their existing unit or elsewhere.[12] On average, 3,500 vouchers become available in a year based on turnover and new ones issued to different housing authorities in the region. The majority of these vouchers are offered through CHAC, Inc., the CHA's Section 8 administrator.[13] Additionally, according to the September 30, 1999 draft of the CHA's Plan for Transformation, approximately 1,250 households may transition from the CHA to the private market annually for the next five years.
- In the past two years, project-based Section 8 buildings that "opted-out" of the program and became market rate rentals raised rent 30-50 percent.[14] While tenants are provided vouchers to cover these costs, a key concern is the loss of permanent units as project-based subsidies get converted to tenant-based assistance.[15] At this time, about 10,000 units of assisted housing may be eligible to opt-out of the program in the next five years.[16]

Sachs. *Jobs/Housing Balance: The Extent to Which Workers Would Like to Move Closer to Their Jobs,* Northeastern Illinois Planning Commission, 1992.

[11] This is based on the number of TANF recipients in July 1999.

[12] Of this total, approximately half are new names as of the last three years. Any household can register for assistance; however, no one is entitled to it. Each household must be determined eligible for assistance before it is given.

[13] In recent years, most of these vouchers have been used to settle a consent decree to increase Latino access to subsidized housing, but starting in November, 1999, CHAC will resume accepting families from the general waiting list, as well as Latino families.

[14] Under the Section 8 program, developments were provided subsidies to make up the difference between the contract rent (i.e., rent needed to cover costs and debt) and what a tenant can pay for rent (i.e., 30 percent of income). When the contract for that subsidy expires, the property owner may choose to "opt-out" of the program and revert to charging market rate if the property meets the eligibility requirements. Currently, HUD excludes properties that are exclusively for elderly and disabled tenants, and any development with contract rents below market rate.

[15]All eligible tenants receive tenant-based housing vouchers, and those who remain in place will receive enhanced vouchers to cover the difference between FMR and the market rent.

[16] This number is based on the total number of units receiving assistance in non-elderly/disabled developments currently with contract rents that are at or above 120 percent of FMR, a rough estimate of the market rent.

2. ESTIMATING AGGREGATE DEMAND FOR AFFORDABLE RENTAL HOUSING IN THE CHICAGO AREA

This section highlights changes since 1990 shaping aggregate demand and current conditions that are likely to impact immediate and longer term demand for rental housing throughout the region. The region as a whole has grown in the 1990s. With this growth has come changes in the age and racial/ethnic distribution of the population, as well as in the overall distribution of income throughout the region. Additional factors shaping demand for rental housing include the need for housing that is accessible to persons with mobility limitations, located near employment opportunities, or that can accommodate persons who need supportive services as well as affordable rental housing.

Our method for determining current aggregate demand for affordable rental housing in the region is straightforward: Begin with the 1990 decennial census as a baseline for population and household counts and then make projections forward in time based on how the population has changed since then. Several existing data sets are combined to develop an estimate of affordable housing demand at a regional and sub-regional level:

- 1990 U.S. decennial census;
- U.S. Census Bureau estimates of population growth and demographic shifts 1990-98;
- American Housing Survey for the Chicago Metropolitan area for 1987, 1991, and 1995[17]
- Claritas estimates and projections of household by income categories, 1999

As with any research, there are limitations that need to be noted. First, while we are many years out from 1990, the decennial census still offers the most accurate estimate of population from which to make projections. Since we know there have been significant changes in the population since 1990, we use population estimates produced by the U.S. Census for each county and the City of Chicago to capture localized variation across the market. Second, while the 1995 American Housing Survey (AHS) provides the most recent comprehensive data on factors of interest -- rent burden, housing quality, overcrowding -- it is still assumed to be dated material. Furthermore, since the data are derived from a sample of households, it can only be used in aggregate to make statements about the region and large areas within it. Finally, we are using data from the Claritas Marketing corporation that estimate current and future household income at smaller geographic areas. While this allows us to make statements about demand that may be locationally driven, it also can potentially over- or under-state demand at the subarea level. [18] We take all these features into account, offering a range rather than a single number for any one category of demand whenever possible. While most data is presented in finished tabular form, many of the data tables can be used to make additional calculations and graphs, as well as to develop alternative estimates of demand relative to more specific interests and issues.

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[17] The American Housing Survey (AHS) is conducted in the Chicago Metropolitan Area every four years by the US Census in conjunction with the Department of Housing and Urban Development. AHS data include a wide range of information on housing in the region, as well as the renters and owners that occupy it. While the data is meant to be used to track trends over time, only percentages should be used when comparing 1987 AHS data with 1991 and 1995, since there is a difference in the base: 1987 rates are based on 1980 census while 1991 and 1995 rates are based on 1990 census. Also, given the sample size, it is not possible to separate out individual counties beyond Du Page and Cook for analysis.

[18] Noll, O'Dell, Smith, and Sullivan (1997) describe in detail things to consider when estimating affordable housing demand at the sub-county level in the *American Planning Association Journal*, Vol. 63, 495-508.

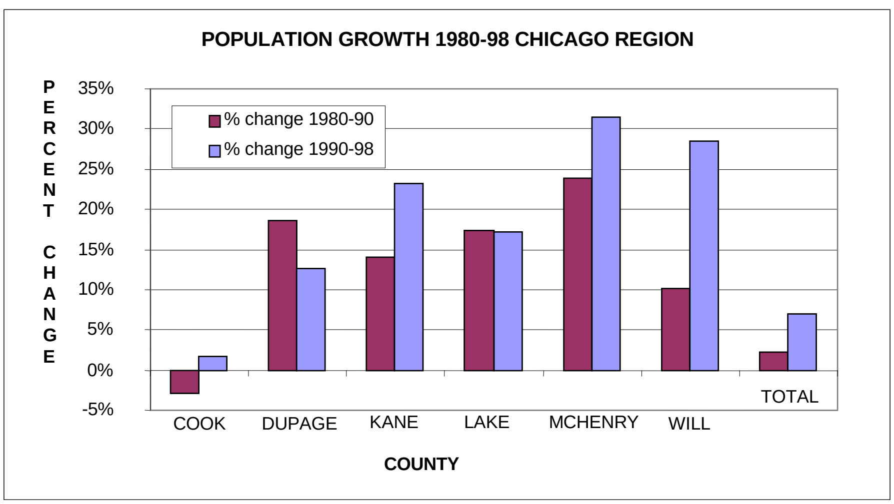
Population Changes between 1990-1998

As noted earlier, population has increased since 1990. With this growth has come changes in the age and racial/ethnic distribution of the population, as well as in the overall distribution of income throughout the region. We begin with what is known about the population from the U.S. Census and how it has changed since 1990. In general, the data confirms that the Chicago area has grown in terms of overall population size, with the greatest relative increase occurring in outlying counties. Below are some key findings about shifts in the population growth in the region across different racial and ethnic groups, as well as age cohorts. A full set of data tables is contained in Appendix A.

Population Growth

As illustrated in Figure 2.1, population growth has primarily occurred outside of Cook County in the collar counties over the last twenty years. McHenry County has experienced the greatest relative increase since 1990 (31.5%), followed by Will (28.5%), Kane (23.2%), Lake (17.2%) and DuPage (12.6%) counties. Most of the population growth in Kane, McHenry and Will is attributable to relatively high rates of domestic migration and births. While Lake and DuPage also had high birth rates, increased immigration was an additional factor in these two counties. Cook County experienced the largest population decline due to domestic emigration; however, this loss was countered by international immigration and births to a lesser degree, resulting in a net gain of close to 2 percent.

Figure 2.1. Population growth rates by county, 1980-98



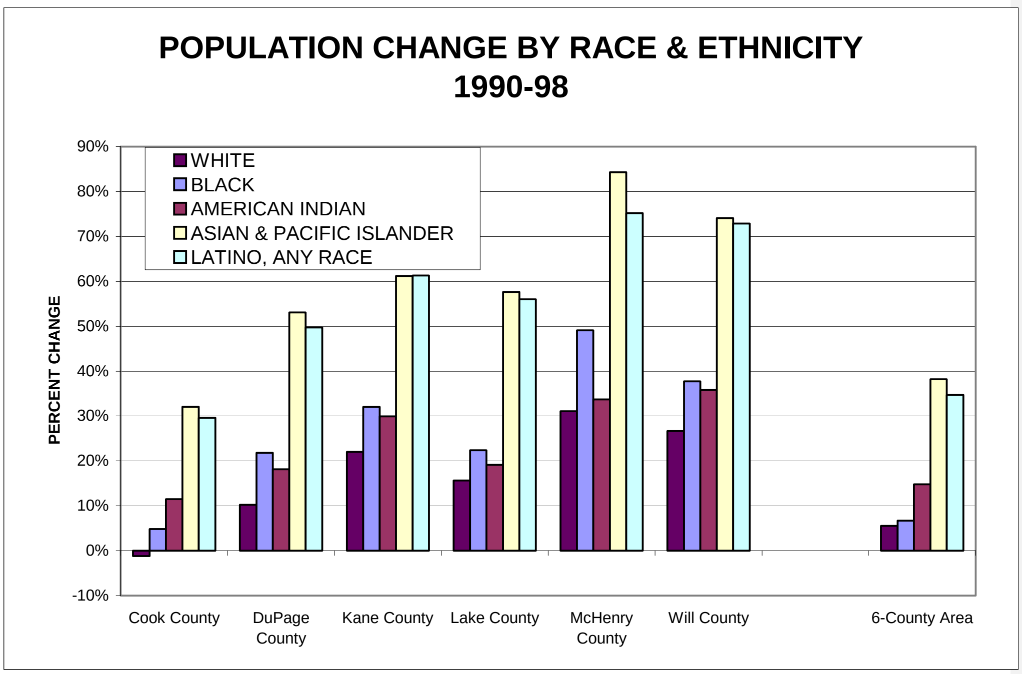
Source: US Census, 1999

Changes in Race, Ethnicity and Age

Whites currently comprise about three-quarters of the region's population (5,738,673 in 1998). As Figure 2.2 shows, African Americans increased proportionately in all of the collar counties by more than 20 percent. In Cook County, however, the African American population increased by only 4.8 percent, with the proportion of whites decreasing by about 2 percent since 1990. While McHenry County had the greatest percentage increase in African Americans since 1990 (49%) this was still only an increase of 165 people.

The Latino population continues to grow, with more than 1 million Latinos in the region (14% of the total population). This growth is at a higher rate than non-Latinos in the region, in part due to immigration but also due to higher birth rates among this population. While Cook County continues to have the largest Latino population, this group increased proportionately in all counties, with Kane, Lake, McHenry, and Will each increasing more than 50 percent.

Figure 2.2. Change in race/ethnicity, 1990-98



Source: US Census, 1999

All counties saw either negative or low rates of population growth in the 18-24 year old age range, with an estimated overall population loss in the region of more than 10 percent in this age cohort since 1997. The largest relative growth was in the 45-64 year old range for all counties, and the highest rates of growth across all age groups were in McHenry County.

Immigration

Illinois was ranked 6th in the nation among states selected as "intended residence" for all new immigrants. The top five countries of origin for the 184,418 new immigrants entering the state between 1990-96 were Poland (21.9%), Mexico (17.8%), India (9.4%), Philippines (7.3%), and former USSR (6.1%).[19]

The Chicago metropolitan area ranked 4th among all metro areas receiving new immigrants between 1994 and 1997.[20] Of all legal immigrants admitted to the U.S. in 1997, 4.4 percent (35,386) identified Chicago as their intended place of residence, which was approximately 93 percent of all legal immigrants entering Illinois.[21]

Finally, nearly 81% of all immigrants reporting the Chicago metropolitan area as their intended place of residence selected Cook County (140,617). Approximately 50 percent of those immigrants moved to the north side of Chicago between 1990-95.[22] Of those entering the collar counties, the majority moved to DuPage and Lake County, which have both seen the highest growth in the region in international immigrants outside Cook County since 1990.

Renter Households

Given the relatively faster rates of growth in many parts of the region in the earlier part of 1990, we assumed that straight projections about renter households from 1990 using change in the previous decade (1980-1990) would under-estimate changes in rental housing demand in many fast growing collar counties in the region. Furthermore, recent shifts in tenure documented nationwide and in the Midwest suggested that ownership rates had increased in the region,[23] although probably not uniformly.

The 1995 American Housing Survey (AHS) provides the most recent data on renter household demand. AHS survey data contains very detailed accounts of rental units and households in terms of housing cost burden, and the extent to which households are living in poor or overcrowded conditions. These data were then used to create *rates* that could be applied to the current population of renters.[24] The assumption made is that selected characteristics concerning rent burden, housing conditions and crowding have not changed significantly since 1995.

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[19] Paral, Rob and V. Alexandra Corten, *New Immigrants and Refugees in Illinois: Profile of 1990-1995 Arrivals*. Latino Institute, June 1998.
[20] U.S. Department of Justice, *Legal Immigration, Fiscal Year 1997*. Immigration and Naturalization. Office of Policy and Planning, Statistics branch, January 1999.
[21] U.S. Department of Justice, *Legal Immigration, Fiscal Year 1997*. Immigration and Naturalization. Office of Policy and Planning, Statistics branch, January 1999.
[22] Paral, Rob and V. Alexandra Corten, *New Immigrants and Refugees in Illinois: Profile of 1990-1995 Arrivals*. Latino Institute, June 1998.
[23] US Census. Ownership rates in the Midwest increased from 67.1 percent in 1990 to 71.2 percent in 1999, with the greatest rate of change occurring between 1996 and now.
[24] The current number of renter households is based on the estimate of occupied rental units, which was calculated by first estimating the number of rental units in 1999 (see *Forecasts of the Rental Housing Market in Metropolitan Chicago: Model and Preliminary Results* by John F. McDonald and Daniel P. McMillen, Center for Urban Real Estate, College of Business Administration, UIC) and then applying the current vacancy rates (see *Metropolitan Chicago Regional Rental Market Analysis: Rental Housing Supply Survey Report* by Timothy P. Johnson, Martine A. Sagun, Jonathan Dombrow, Jin Man Lee, and Young Ik Cho, Survey Research Laboratory, UIC).

Selected tables on renter household characteristics, rent burden, and housing condition are on the following page (see Figures 2.3-2.5). A complete set of data tables can be found in Appendix A. Highlights that should be taken into consideration when looking at the region's renter population include:

- The proportion of renter households in the region decreased by approximately 2 percentage points overall, dropping in all areas except suburban Cook County (+0.5%) between 1987 and 1995.
- In 1995, the majority of households in the City of Chicago rented (56%), while nearly three out of four households owned their homes in the surrounding suburbs.
- Between 1991 and 1995, the total number and proportion of renters receiving some type of housing assistance[25] increased in Chicago, Suburban Cook County and remaining collar communities except for DuPage County, which decreased slightly.
- A general trend is to see more Black and Latino renters in collar counties since 1987; however, the number and proportion of Black and Latino renters is still lower overall than in Cook County and Chicago.
- Higher rates of White renters live in suburban Cook and the collar counties than in Chicago, which had nearly the same percentage of white and black renters in 1995.
- About two-thirds of all Black households rent rather than own, with exception of suburban Cook County where only 44% rent.
- Latino households rent at higher rates in the City of Chicago (64%) than they do in suburban Cook (50%) and the other collar counties (36% in collar counties, 47% in DuPage).
- Chicago had the highest proportion of renters with incomes below poverty.
- The typical rental household size in the region is two people.
- Approximately 87 percent of all renter households regionwide have four people or fewer in the household. Ten percent of all renter households have five or more people.
- The largest proportion of renters overall is single person households (37 percent). Nearly 30 percent of this total are elderly. [26]
- While the majority of the region's renter households live in one- and two-bedroom units (72 percent), nearly one-fourth live in units with three or more bedrooms.
- Regardless of householder age, about one-fifth of renter householders are below poverty.
- Fifty percent of all renter households are headed by a person between the ages of 30 and 54 years.

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[25] Assistance includes living in public housing or receiving any sort of subsidy for housing from the Federal, state or local government.
[26] Includes all households with a householder of 65 years of age or over.

Figure 2.3. Household characteristics of renter occupied units, 1995

RENTER HOUSEHOLDS (1)	**CHICAGO**	**SUBURBAN COOK**	**DUPAGE COUNTY**	**REMAINING COUNTIES**	**TOTAL REGION**
White, Non-Latino Householder	38.0%	66.0%	80.4%	51.6%	63.6%
African American Householder	36.8%	17.3%	6.1%	27.4%	27.4%
Other Race Householder	11.7%	5.9%	10.5%	9.0%	9.0%
Latino Householder	18.5%	11.7%	7.4%	15.6%	15.6%
Elderly Householder	15.1%	16.9%	17.9%	15.5%	15.5%
Below Poverty Householder	28.2%	14.3%	10.5%	21.9%	21.9%
Median Persons per Unit	2.0	1.9	1.8	2.0	2.0
Median Householder Age	40	39	37	39	39
Total renter households	569,700	240,700	74,100	125,400	1,009,900

Source: AHS Remaining counties refers to Grundy, Kane, Kendall, Lake, McHenry, and Will.
(1) Households consist of all persons who occupy a unit regardless of familial or marital status.

Figure 2.4. Proportion of renters rent-burdened in the region, 1995

PERCENTAGE OF INCOME TOWARD RENT	**CHICAGO**	**SUBURBAN COOK**	**DUPAGE COUNTY**	**REMAINING COUNTIES**	**TOTAL**
30-49% OF INCOME	24.2%	25.2%	28.2%	25.0%	24.8%
50% OR MORE	12.8%	9.8%	14.7%	16.7%	12.7%
30% OR MORE	36.9%	35.1%	42.9%	41.6%	37.5%

Source: AHS, 1995 Remaining Counties refers to Grundy, Kane, Kendall, Lake, McHenry, and Will.

Figure 2.5. Renter households living in substandard or overcrowded conditions, 1995 [27]

PERCENTAGE OF RENTER HOUSEHOLDS WHO LIVE IN A UNIT THAT:	**CHICAGO**	**SUBURBAN COOK**	**DUPAGE COUNTY**	**REMAINING COUNTIES**	**TOTAL REGION**
HAS MODERATE PHYSICAL PROBLEMS (1)	8.8%	6.2%	5.8%	5.5%	7.5%
HAS SEVERE PHYSICAL PROBLEMS (1)	3.1%	1.7%	2.8%	1.1%	2.5%
IS MODERATELY OVERCROWDED (2)	6.8%	2.3%	6.1%	3.0%	5.2%
IS SEVERELY OVERCROWDED (3)	1.5%	0.0%	0.0%	0.0%	1.5%

Source: AHS Remaining Counties refers to Grundy, Kane, Kendall, Lake, McHenry, and Will.
(1) See table below for definition
(2) Between 1.0 and 1.49 persons per room excluding bathrooms
(3) 1.5 or more persons per room excluding bathrooms

[27] The method for determining "severe" and "moderate" involves finding evidence of specific combinations of items and/or problems that have occurred for a specific or sustained period of time. See Appendix A for full definition of "moderate" and "severe" physical problems.

Estimates of Current Housing Demand

Demand for affordable rental housing is a function of income. The standard of paying no more than 30 percent of income toward housing costs is generally used for determining what is affordable. In addition, various government programs that provide assistance to help make rental housing affordable look at income levels to determine eligibility for assistance, which is generally based on a percentage of the Area Median Income (AMI). The U.S. Census estimates the 1999 area median income (AMI) for the Chicago metropolitan region to be $63,800 for a family of four. In comparison, the poverty threshold in 1998 was $16,500 for a family of four -- about 25 percent of the AMI.[28]

The Department of Housing and Urban Development (HUD) uses the following terms to classify assistance based on family size: Extremely low-income is 0-30 percent of AMI ($19,500 for a family of four); Very low-income is up to 50 percent of AMI ($31,900 for a family of four); Low-income is up to 80 percent of AMI ($47,800 for a family of four). In addition, two other categories are often used: "moderate income" or "affordable" to classify families with incomes between 80 and 120 percent of AMI (up to $75,000) and "market" to classify families with incomes at 120 percent or higher than AMI ($75,000 or more).

Figure 2.6 contains estimates for the number and percentage of *all* households (renters and owners) in each of the counties and the subareas within suburban Cook County and Chicago (see Appendix for subarea map). The percentages of AMI specified (0-30%, 30-50%, etc.) generally correspond with the categories used to classify housing assistance. As this figure illustrates, there is a great deal of differentiation across the region in terms of income. Most extremely low-income households (0-30% of AMI) live in Chicago while most upper-income households (120% or more of AMI) reside in northern Cook, Du Page and Lake Counties.

Figures 2.7 and 2.8 show the distribution of renters and owners across different income groups.[29] Nearly 75 percent of renter households have incomes below 80 percent of AMI while about 60 percent of owner households have incomes that are at or above 80 percent of AMI.

[28] The Census Bureau establishes income thresholds that vary by family size and composition to detect whom is in poverty. A family (including every individual in it) is considered to be in poverty if its total income is less than that threshold. The official poverty definition counts money income before taxes and excludes capital gains and noncash benefits, including public housing, Medicaid, and food stamps. The poverty threshold is updated annually for inflation with the Consumer Price Index (CPI) and does not vary geographically. The most current year for which a threshold has been determined is 1998.

[29] These numbers are based on an estimate of total households in each area in 1999. The number of renters was determined by the estimated number of occupied rental units in each subarea.

Figure 2.6. Distribution of renter and owner household income by percentage of Area Median Income, 1999 [30]

SUBAREA		TOTAL	0 to 30% of AMI (up to $20,000)	30 to 50% of AMI ($20,000 to 30,000)	50 to 80% of AMI ($30,000 to 45,000)	80 to 120% of AMI ($45,000 to $75,000)	120% or more of AMI ($75,000 and above)
COOK-North	HHLDS	372,400	30,600	20,900	59,600	80,300	181,000
	%		8.2%	5.6%	16.0%	21.6%	48.6%
COOK-West	HHLDS	121,700	22,400	12,200	26,100	28,700	32,300
	%		18.4%	10.0%	21.4%	23.6%	26.6%
COOK-South	HHLDS	346,900	49,400	31,300	69,700	82,100	114,400
	%		14.3%	9.0%	20.1%	23.7%	33.0%
CHICAGO-North	HHLDS	403,800	88,700	44,300	85,300	77,300	108,200
	%		22.0%	11.0%	21.1%	19.1%	26.8%
CHICAGO-West	HHLDS	252,000	79,700	31,400	54,600	47,000	39,300
	%		31.6%	12.5%	21.6%	18.6%	15.6%
CHICAGO-South	HHLDS	397,600	123,200	50,100	82,200	72,000	70,100
	%		31.0%	12.6%	20.7%	18.1%	17.6%
DUPAGE	HHLDS	323,100	24,500	18,400	52,800	74,800	152,600
	%		7.6%	5.7%	16.4%	23.1%	47.2%
KANE	HHLDS	130,700	19,200	12,300	27,500	32,100	39,600
	%		14.7%	9.4%	21.0%	24.5%	30.3%
LAKE	HHLDS	210,900	20,500	13,300	30,500	43,500	103,100
	%		9.7%	6.3%	14.5%	20.6%	48.9%
MCHENRY	HHLDS	84,200	9,700	7,300	16,300	22,800	28,100
	%		11.5%	8.7%	19.4%	27.0%	33.4%
WILL	HHLDS	153,300	21,700	13,200	29,800	39,300	49,300
	%		14.2%	8.6%	19.5%	25.7%	32.1%
TOTAL		2,796,600	489,600	254,700	534,400	599,900	918,000

Source: Claritas. NOTE: HHLDS refers to households.

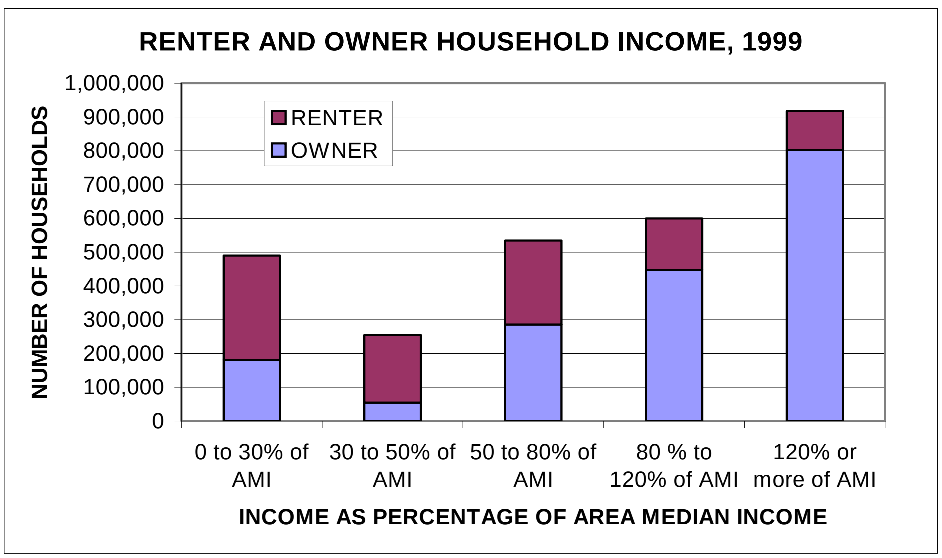
[30] The income ranges identified in the column labels are not the exact income level at the AMI, which varies with household size, but are generally within +/- $2,000 for a family of three.

Figure 2.7. Renter and owner household income, 1999[31]

INCOME LEVEL:	TOTAL HOUSEHOLDS #	TOTAL HOUSEHOLDS %	OWNER HOUSEHOLDS #	OWNER HOUSEHOLDS %	RENTER HOUSEHOLDS #	RENTER HOUSEHOLDS %	ACCEPTABLE RENT (1)
0 to 30% of AMI (up to $20,000)	489,600	17.5%	181,400	10.2%	308,200	30.1%	Up to $500
30 to 50% of AMI ($20,00 to 30,000)	254,700	9.1%	55,000	3.1%	199,700	19.5%	$500 to 795
50 to 80% of AMI ($30,000 to 45,000)	534,400	19.1%	285,600	16.1%	248,800	24.3%	$795 to 1,200
80 % to 120% of AMI ($45,000 to 75,000)	599,900	21.5%	447,300	25.2%	152,600	14.9%	$1,200 to 1,900
120% or more of AMI ($75,000 and above)	918,000	32.8%	803,300	45.3%	114,700	11.2%	More than $1,900
TOTAL	2,796,600	100.0%	1,772,600	100.0%	1,024,000	100.0%	

Source: Claritas and UIC estimates of renter households.
(1) Assumes household pays approximately 30 percent of income toward rent. The ranges are calculated based on what a family of four could afford.

Figure 2.8. Renter and owner household income as percentage of Area Median Income, 1999



[31] These numbers were derived by applying the percentage of 1995 renters in each of the income categories to the total number of estimated renter households in 1999.

Estimating Unmet Housing Demand

The degree to which demand is "unmet" can be measured in several ways. For example, the Department of Housing and Urban Development periodically reports to Congress on the number of households with "unmet worst case needs for housing assistance." Worst case needs are defined as households either paying over 50 percent of income toward rent or living in severely inadequate housing.[32]

Below is a review of Chicago area data that shows the degree to which there is unmet demand in the region. Based on the rates found in the 1995 American Housing Survey, we look at: 1) *rent burden*, i.e., people paying more than 30 percent of their income for rent and 2) *housing quality*, i.e., people living in substandard or overcrowded units. Since rents continue to outpace inflation, we have assumed that in 1999 there is at least the same rate of households paying more than 30 percent of income toward rent as there was in 1995.[33] Similarly, estimates of the number of households with different housing problems in 1999 were made assuming that the overall distribution has not changed significantly since 1995.

Rent Burden

As shown in Figure 2.4, over one-third of renter households region-wide spend more than 30 percent of their income on rent. Region-wide, nearly 16 percent of renter households paid between 30–49 percent of their income towards rent, and nearly 13 percent paid over 50 percent of their income towards rent four years ago. This figure also shows higher rates of households being rent burdened in collar counties, with nearly 43 percent in DuPage County and 42 percent in the remaining counties.

Figure 2.9 provides a range of households likely to be rent burdened in 1999 based on this assumption. Based on the range calculated, as many as 411,000 households could be rent burdened, and close to 150,000 renters in the region may be considered a "worst" case household using HUD's definition (i.e., paying 50% or more of income for rent).

Figure 2.9. Estimated range of rent-burdened households in the region, 1999 [34]

PERCENTAGE OF INCOME TOWARD RENT	CHICAGO	SUBURBAN COOK	DUPAGE COUNTY	REMAINING COUNTIES	TOTAL
30-49% OF INCOME	132,800-145,200	53,400-62,500	20,100-24,500	32,000-37,200	245,600-262,300
50% OR MORE	60,000-87,800	14,900-30,000	6,000-17,200	15,300-31,100	111,600-148,500
30% OR MORE	192,800-233,000	68,300-92,500	26,100-41,700	47,300-68,300	357,200-410,800

NOTE: Remaining Counties refers only to Kane, Lake, McHenry, and Will.

[32] See *Rental Housing Assistance at a Crossroads: A Report to Congress on Worst Case Housing Needs*, Office of Policy Development and Research, HUD, March 1996

[33] See *For Rent: Housing Options in the Chicago Region*, November 1999.

[34] Estimates derived by multiplying rates in Figure 2.4 by the estimated number of renter households in 1999 and creating a range based on 90% confidence interval. Remaining counties includes Kane, Lake, McHenry, and Will.

Housing Conditions

Another indicator of unmet demand is the degree to which a household is living in a substandard or overcrowded unit. The American Housing Survey and the Census provide specific definitions of moderate and severe physical problems (see Figure 28 in Appendix A). Figures 2.10 and 2.11 provide an estimated range of renters living in poor quality or overcrowded housing in 1999. Of the renters living in less than standard housing conditions, most are in units that have moderate physical problems or moderate levels of overcrowding.

Figure 2.10. Estimated range of renter households in substandard housing in the region, 1999[35]

UNIT HAS:	CITY OF CHICAGO	SUBURBAN COOK COUNTY	DUPAGE COUNTY	REMAINING COUNTIES	TOTAL
MODERATE PHYSICAL PROBLEMS	50,000 - 52,000	14,000 - 15,000	4,300- 4,800	6,700-7,200	75,000-78,000
SEVERE PHYSICAL PROBLEMS	17,000 - 18,000	3,900 - 4,100	2,100 - 2,300	1,300 -1,400	24,300-25,800
TOTAL	67,000 - 70,000	17,900-19,100	6,400 - 7,100	8,000 - 8,600	99,300-104,800

NOTE: Remaining Counties refers only to Kane, Lake, McHenry, and Will.

Figure 2.11. Estimated range of renter households in overcrowded units in the region, 1999[36]

UNIT IS:	CITY OF CHICAGO	SUBURBAN COOK COUNTY	DUPAGE COUNTY	REMAINING COUNTIES	TOTAL
MODERATELY OVERCROWDED	38,000-40,000	5,200-5,500	4,500-5,000	3,700-3,900	51,400-54,400
SEVERELY OVERCROWDED	8,500-8,700	0 *	0 *	0 *	8,500-8,700
TOTAL	47,500-48,700	5,200-5,500	4,500-5,000	3,700-3,900	53,100-60,900

NOTE: Remaining Counties refers only to Kane, Lake, McHenry, and Will.
* Based on 1995 rates, which were 0 or rounded to 0.

The next section looks at in more detail housing demand among specific groups within the population, to see how the needs of the homeless, persons requiring physically accessible housing and lower-wage workers fit into this aggregate pattern of demand within the region.

[35] Estimates derived by multiplying rates in Figure 2.5 by the estimated number of renter households in 1999 and creating a range based on 90% confidence interval. Remaining counties includes Kane, Lake, McHenry, and Will.
[36] Estimates derived by multiplying rates in Figure 2.5 by the estimated number of renter households in 1999 and creating a range based on 90% confidence interval. Remaining counties includes Kane, Lake, McHenry, and Will.

3. ESTIMATING CURRENT UNMET DEMAND FOR AFFORDABLE RENTAL HOUSING AMONG SPECIFIC GROUPS IN THE CHICAGO REGION

This section of the report focuses on the housing needs of specific groups of people, to determine what additional considerations beyond affordability might require attention when assessing market demand. We look more in-depth at the housing needs of persons who are likely to be:

- homeless or without a permanent place to live;
- with mobility impairments in need of affordable and accessible rental housing;
- in need of affordable rental housing closer to suburban employment opportunities.

Assessing potential demand among these different groups required drawing on a variety of data sets and information gathered from existing research, service providers, advocates, housing providers and others in the region. A variety of methods were used to produce estimates within each demand group, which are explained in more detail in the sections that follow. Section 3.1 looks at persons who are homeless or without conventional housing in the six county region. Section 3.2 examines persons with physical disabilities needing accessible housing. Section 3.3 reviews issues affecting affordable rental housing demand among employees in the metropolitan area.

3.1. Homeless Persons / Persons Without Conventional Housing

A person or family can be without a permanent place to live for many reasons, including eviction from an apartment for non-payment of rent, domestic violence, substance abuse, and unemployment. Regardless of the reasons, insufficient income often prevents someone who is homeless from attaining a permanent place to live in the private sector market. While emergency and other longer-term shelters (e.g., transitional housing programs) provide temporary relief for many, these are not considered a permanent housing solution; rather it is considered to be part of a continuum in which a household eventually moves into permanent housing.[37]

This section reviews definitions of homeless, as it pertains to identifying and counting who is likely to need affordable rental housing. We present findings from a survey of shelter providers conducted by UIC this summer, along with existing data from recent reports by public agencies and homeless advocates. We conclude with a discussion of how this data can be used to estimate demand for rental housing in the Chicago region.

Defining Homeless

Definitions of homelessness vary both in time and in scope. In terms of time, the number of homeless people can be measured on a specific day or night, or can be measured over a time period, such as a year or in a lifetime. In terms of scope, measurements can be made of those literally homeless (living on the streets) or those doubling up or those at-risk of becoming homeless or a combination of these methods.

[37] The idea of a "continuum of care" can be traced back to work of the National Coalition for the Homeless in the early 1980s, whose work was instrumental in shaping and passing the 1988 Stewart A. McKinney Act. This act officially introduced funding for a continuum of assistance that included emergency shelter and services, transitional housing, and permanent housing.

For the purposes of all federal programs, and many state and local programs, the definition of a homeless person as codified in the *U.S. Code Title 42 Section 11302* is the relevant definition.

> Sec. 11302. General definition of homeless individual
> In general, for purposes of this chapter, the term "homeless" or "homeless individual or homeless person" includes:
>
> (1) an individual who lacks a fixed, regular, and adequate nighttime residence; and
>
> (2) an individual who has a primary nighttime residence that is:
>
> (A) a supervised publicly or privately operated shelter designed to provide temporary living accommodations (including welfare hotels, congregate shelters, and transitional housing for the mentally ill);
>
> (B) an institution that provides temporary residence for individuals intended to be institutionalized; or
>
> (C) a public or private place not designed for, or ordinarily used as a regular sleeping accommodation for human beings.

While not included here in the definition, many also consider single-room occupancy (SRO) housing to be a form of shelter rather than a permanent housing solution. HUD, for example, provides funding for SROs under its homeless programs. In Chicago, as in other larger cities in the US, more attention has been given to the relationship between homelessness and the loss of SRO housing stock, because SROs often comprised a significant portion of the affordable housing stock for single persons. A recent report, *Stemming the Loss of SRO Housing-An Analysis of Single Room Occupancy Housing Stock in Chicago*,[38] examines SRO hotels in the Chicago region. When viewed as "a critical source of affordable housing for Chicago's very low-income residents," there is good reason to be concerned considering the loss of SROs in the City of Chicago and Cook, DuPage, and Lake Counties since 1973. The report finds that between 1973 and 1985 Chicago lost nearly 60% of its SRO housing stock, going from 52,130 units to 21,373 units (30,757 units). Between 1985 and 1994, an additional 7,819 units were lost, and as of 1996 only 12,826 units remained in the city.

SROs might appear as shelters under the U.S. Census definition if they are viewed as hotels. According to the Census, being homeless includes anyone who is "mobile, who may live in irregular housing arrangements, or who makes use of emergency lodging and are at risk of being missed with traditional census procedures." The 2000 census will "enumerate clients at service locations such as shelters, soup kitchens, regularly scheduled mobile food vans, hotels and motels used by people who are temporarily without housing, and will mount outreach efforts to contact people in non-traditional dwellings."

Estimating Rates of Homelessness in the Population

[38] Diane M. Farley. *Stemming the Loss of SRO Housing-An Analysis of Single Room Occupancy Housing Stock in Chicago*, The Lakefront SRO Corporation, 1997.

The literature abounds in estimates of the size of the homeless population; however, the estimates often vary dramatically. A 1984 HUD report started the controversy over the size of the homeless population with its estimate of 250,000 to 350,000 homeless in the U.S., a number that was one-tenth the size that advocates for the homeless then estimated.[39] A local effort in 1987 provided a count of only 3,000 literal homeless persons in Chicago, while service providers estimated there were approximately 12,000 to 15,000.[40] In 1987 an often-cited Urban Institute study found that there were 567,000 to 600,000 homeless on any given night.[41] A consensus emerged at the end of the 1980s that the size of the homeless population was greater than 500,000 but less than 1,000,000.

The 1990 U.S. Census attempted to enumerate the homeless through the so-called S-Night ("S" standing for shelter and street). Thousands of researchers were enlisted to count the homeless on one given night; between 6 p.m. and midnight on March 20, 1991, Census teams entered all known shelters for the homeless and between 2 to 4 a.m. on March 21, 1991, enumerators attempted to count homeless persons on the streets. Later that day, abandoned buildings were searched. The results of the S-Night enumeration were released on April 8, 1991: 228,621 homeless were counted nationwide.[42] According to most of the articles that consulted, the 1990 Census provided an undercount of the homeless population. Although the shelter count appeared to be reasonably complete, the street count was seriously incomplete—according to one researcher, between one-third to eight-tenths of the street target population was missed.[43]

In general, researchers in the field agree that homelessness affects between 0.1 percent and 0.5 percent of urban populations at a given point in time.[44] However, how one selects a sampling frame influences both the size and profile of the homeless population. Some researchers have found that a sampling frame comprising numbers of beds and meal services would capture no more than 70 percent of the homeless population in an inner-city area, and no more than 50 percent in a smaller suburban site.[45] Similarly, the use of point-in-time data has been questioned since it may under/over estimate the number of people who are homeless depending on the time of year. This method can also miss important information about the frequency of usage (i.e., repeat use and duration).

A national telephone survey of 1,507 respondents concluded that in the five-year period from 1985 through 1990 5.7 million Americans were literally homeless. Literal homelessness was defined as sleeping in a park, abandoned building, street, bus or train station, shelter, or temporary residence while being homeless. The study further found that 13.5 million Americans have been homeless at some point in their lifetimes.[46]

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[39] James D. Wright and Joel A. Devine. 1992. "Counting the Homeless: The Census Bureau's "S-Night" in Five U.S. Cities." *Evaluation Review* 16(4): 355.
[40] Ibid. P. 355.
[41] M. Burt and B.E. Cohen. 1989. *America's Homeless: Numbers, Characteristics, and Programs that Serve Them.* Washington, D.C.: The Urban Institute.
[42] Wright and Devine, p.358.
[43] Ibid., p.361.
[44] Dennis P. Culhane and Randall Kuhn. 1998. "Patterns and Prevalence of Public Shelter Utilization among Homeless Adults in New York City and Philadelphia." *Journal of Policy Analysis and Management* 17(1): 24.
[45] Paul Koegel, M. Audrey Burnam, and Sally Morton. 1996. Enumerating Homeless People: Alternative Strategies and their Consequences. Evaluation Review. 20(4):378-403.
[46] B.G. Link, E. Susser, A. Steuve, J. Phelan, R.E. Moore, and E. Struening. 1994. "Lifetime and Five-Year Prevalence of Homelessness in the United States." *American Journal of Public Health.* 84:1907-12.

The Survey Research Lab (SRL) at the University of Illinois at Chicago[47] recently replicated this study to produce estimates of the lifetime and 5-year prevalence rates of homelessness among currently housed adults in Illinois. Using a random telephone survey in the Fall of 1997 and the Winter of 1998, the study estimated that approximately 723,900 Illinois adults (8.3% of the state population) experienced homelessness at some point during their lifetime, and 375,000 (4.3% of the state population) experienced literal homelessness.[48] The estimate for those experiencing homelessness in the past five years was 183,200 (2.1%), and literal homelessness in the past five years was 104,700 (1.2%). [49]The demographic breakdown is shown in Table 3.1. In general, males are more likely to have ever been homeless than females. Blacks and other non-white ethnic groups are likely to have higher rates of experience being homeless than whites and Latinos. Households with income levels below $20,000, regardless of size, had higher rates of experience being homeless than households with incomes above $20,000. In terms of where people live, there is a much higher rate of homelessness among the population living in the City of Chicago, both in lifetime and ever literally, than in the suburbs or downstate.

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Table 3.1. Rates of homelessness among adults in Illinois, 1998

TOTAL ADULTS	***EVER HOMELESS IN LIFETIME***	***EVER LITERALLY HOMELESS***
Gender		
Male	9.2%	4.3%
Female	7.3%	4.3%
Race/ethnicity		
Black	11.9% *	7.1%
Latino	5.0%	2.5%
Other race/ethnic group	12.3%	3.8%
White	6.9%	3.8%
Income		
Less than $20,000	15.4%***	10.9%***
$20,000-$50,000	7.4%	2.7%
More than $50,000	3.2%	0.7%
Residence		
City of Chicago	11.1%**	6.9%**
Chicago Suburbs	6.5%	4.2%
Downstate Illinois	5.9%	1.5%

* $p < .05$ **$p < .01$ ***$p < .001$

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With regard to homeless youth, SRL completed a survey in 1992 for the Chicago Coalition for the Homeless. *Alone After Dark: A Survey of Homeless Youth in Chicago*,[50] describes the findings from a survey of 196 homeless youth in Chicago during July and August of 1992. Participants were paid $10 for their interview. The sampling method was a combination of

[47] Survey Research Lab, University of Illinois at Chicago. 1998. "Homelessness more prevalent than thought, Statewide problem" Unpublished survey results.
[48] The standard error for each estimate is: Ever homeless (.79) and Ever literally homeless (.58).
[49] The standard error for each estimate is: Ever homeless in past 5 years (.41) and Ever literally homeless in past 5 years (.31).

[50] *Alone After Dark: A Survey of Homeless Youth in Chicago*. The Chicago Coalition for the Homeless. 1992

convenience and snowball sampling. The respondents were 59% male and 41% female. By race, 76% were African-American and 24% non-African-American. Of the total, 84% were from the Chicago area.

Homeless youth have many things in common with homeless adults, often finding that "not enough money" is a primary reason for being without a place to live. However, a key factor for youth being homeless is running away from home. Nearly half of the respondents ran away between the age of 12 and 14, often citing conflict with relatives as a key reason for being homeless. Many had runaway several times before the age of sixteen, and 41 percent had been homeless on three previous occasions. Unlike homeless adults, children on their own often do not seek out shelters, choosing instead to either sleep on the street or stay with friends.

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Estimating Demand for Affordable Rental Housing

In 1995, The Partnership to End Homelessness completed a needs assessment process which included a survey of 20% of the homeless persons who used member services. According to this report,[51] more than 120 organizations in the Chicago area provided shelter services to an average of 5,300 persons per day during the winter months and 4,080 people the rest of the year. The report estimates that at least 25,000 people used the shelter system in fiscal year 1994 (July 1, 1993 - June 30, 1994), and that another estimated 35,000 people were living doubled up or in institutions and would be homeless when they leave. In 1993, families accounted for 43% of the Chicago homeless population, and 67% of all homeless family members were children.

Estimating the demand for housing based on the number of homeless persons living in the area is a sensitive and difficult task, especially when it is based only on a snapshot of the population at a given point in time. Furthermore as the estimates above demonstrate, there are at three different but potentially overlapping groups to take into account: 1) shelter users, 2) people who are on the street/not in shelters, and 3) low-income people who are "doubled up" due to affordability problems. Each category is assumed to reflect a potentially different set of circumstances, which in turn can require different strategies and resources in order to move into a more permanent housing situation.

"Succesfully" transitioning out of homelessness depends on a whole range of issues that will vary with each individual and family. Furthermore, the circumstances distinguishing each group here point to specific housing related factors that need to be taken into consideration. First, most if not all homeless households will have very low-income levels (0-30% of area median income), with people living on the street most likely having the lowest and most irregular income. Second, men or women who have spent a great deal of time on the street or moving in and out of shelters are likely to need a wide range of services and other forms of support, *as well as time*, if they are going to transition successfully into a permanent housing situation. Third, people who are doubling up are assumed to be doing so because of circumstances that most likely require finding a new permanent place to live (e.g. eviction, loss of a job, separation from spouse or partner).

[51] *Overcoming the Obstacles to Permanent Housing: An Overview of the needs of Homeless people in Chicago*, The Partnership to End Homelessness, Chicago, IL, March 1995.

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A great deal of data on shelter usage is collected systematically by agencies in order to track shifts in demand and to make reports to funders. This data often contain demographic variables and other information that can be used to develop a profile of people who are homeless in an area. In contrast, relatively little data is consistently collected on persons doubling up or living on the street. We plan to use shelter data as the primary source of information to profile this population in terms of demographics likely to shape affordable housing demand. We will calculate estimates of total demand in terms of the number of people using both shelter and non-shelter sources, which are described in more detail below.

A key concern with any data source is getting good, clear estimates that do not systematically over or under count the number of people in these three categories. In general, funding agency reports are good sources of data; however, a key concern is that not all shelters or homeless service providers are necessarily accounted for, since many organizations serving this clientele do not seek out government funding. This is true especially for many seasonal shelters that are small operations, often in churches run by a few volunteers.

In general, the profile of shelter users is determined to a certain degree by shelter criteria rather than by who is in need of shelter, and therefore may not accurately reflect the entire homeless population when estimating housing needs (e.g., a two parent family might split up so that the mother and children can get into a shelter that does not take adult males). A related concern is that shelter providers periodically have to "turn people away" because the shelter or program is full, which may or may not be reported. Finally, shelter occupancy rates may not always serve as good direct measure of demand, since some households my choose alternatives to shelters (e.g., doubling up, staying in unsafe conditions or an abusive relationship) if the shelter accommodations are not appropriate. A common concern is being able to keep children in the same school, preventing disruptions in services, and proximity to work and other activities.

A challenge with shelter data, in particular, is making sense of how it translates into indicators of demand. For example, we know that during the period from 1995 to 1997, an average of nearly 1 million shelter nights and 1.75 million meals were provided annually in the six counties, with the greatest amount of increase in 1996, and the largest relative increase in demand in Chicago (see Table 3.2). This data does not show how many people used the services or how the number of households changed in relation to demand for services during this time period. It does, however, provide longitudinal data that illustrates how measures of service usage change over time, and how important it is to look at multiple data points if possible to see trends that might other wise not be apparent when looking at a single point in time.

Table 3.2. Shelter nights and Meals Served in Chicago region, 1995-97[52]

	1995	*1996*	*1997*	*CHANGE 1995-97*
SHELTER NIGHTS				
Chicago	703,932	888,718	895,028	27.1%
Collar	154,314	165,969	153,649	-0.4%
Total	860,241	1,056,683	1,050,674	22.1%
MEALS SERVED				
Chicago	1,304,737	1,517,318	1,448,047	11.0%
Collar	327,536	345,664	327,773	0.1%
Total	1,632,273	1,862,982	1,775,820	8.8%

A key factor when using any organization's data or statistics is knowing whether or not the count of people being served represents a "total number" or an "unduplicated" count of participants. While the total number provides a good picture of the *average* demand for shelter or other services in a given time period (e.g., number of beds or rooms used per night), the unduplicated count provides a better sense of the potential *magnitude* of demand during a given time period. Both measures should be used if they are available.

What follows is a presentation of data that can be used to produce an overall profile of persons who are homeless in the region, and estimate both total and average demand for affordable rental housing. We begin with shelter data for the region.

Shelter Usage in the Chicago Region

A great deal of existing data on shelter and service usage can be used to show the magnitude of homelessness among different groups of people across the region and over time. We collected and reviewed reports and data from a wide range of sources, to get a better understanding of what is known about shelter and service usage. In this investigation, we do not count SROs as shelters but rather as part of a housing continuum and similar to boarding houses or rooming hotels that offer more stable low-cost housing outside the traditional or formal housing market.

In general, there is a great deal of data about homeless services in the City of Chicago from agency reports and advocacy organizations. Data on service usage in the surrounding suburbs is less systematic across counties when looking at government agency reports.[53] In addition, we compiled a comprehensive list of shelters and homeless service providers along with other local, regional, state and national agencies that advocate on behalf of homeless persons (see Appendix C).[54] Finally, we conducted a survey of the more than 140 organizations that were either identified as a shelter provider or as offering some type of shelter assistance in the six county

[52] From memorandum sent by the State of Illinois Division of Homeless Services & Support to the Chicago Coalition for the Homeless. Data is from Fiscal Years 1995-1997.
[53] We also reviewed existing data contained in the five-year consolidated plans produced for HUD by various county and municipal planning agencies; however, this data is limited and not very complete across the region. A summary of the data contained in these reports can be found in Appendix B.
[54] Sources include advocacy organizations, reports, internet searches, funding reports, and newspaper articles.

area. The complete results are discussed in more detail below. We present here agency data that can be used to produce estimates of demand. The complete survey and summary statistics for all questions can be found in Appendix D.

Chicago

A recent study, *Ten Cities 1997-1998: A Snapshot of Family Homelessness Across America,*[55] surveyed approximately 800 homeless families in ten cities across the country, including Chicago. According to the study, 2,686 individuals in families (or 36% of Chicago's homeless population) are in need of emergency or transitional housing nightly in Chicago. The average family in a shelter in Chicago consists of 3.8 people, including 2.7 children. Approximately 705 families were homeless in Chicago nightly at the time of this study. According to the City of Chicago, shelter was available for 83% of homeless families. Table 3.3 summarizes and compares demographics from this survey with the general population.

Table 3.3. Profile of Shelter Users in Chicago From a Ten City Sample, 1997

CHARACTERITICS	HOMELESS FAMILIES IN CHICAGO	GENERAL POPULATION IN CHICAGO
Head of Household Gender		
Female	95%	36%
Male	5%	64%
Race/Ethnicity		
African American	92%	39%
Asian	0%	4%
Latino	3%	20%
Native American	0%	<1%
White	4%	37%
Marital Status of Parents		
Married	8%	59%
Single	92%	41%
Never Married	64%	NA
Sep./Div./Widow	28%	NA

Of those families surveyed, 53 percent of the respondents had been homeless one time, 30 percent two times, and 17 percent three times. Sixty-five percent of the respondents had leased or owned their own residence at one point. The reasons reported as to why respondents left their last address were as follows: disagreement (30%); domestic violence (22%); overcrowded (21%); substandard/housing; disaster (5%); lost public assistance (7%); and lost job (10%). The length of time that homeless parents spent on TANF was: none (9%); less than 6 months (22%); six months to one year (11%); one to two years (8%); more than two years (50%).

When compared to the population at large, the data clearly suggests that a large portion of homeless adults with children in Chicago are women. However, this is more likely to be an artifact of the research, since the study focused on homeless families in shelters, which are often restricted to woman and children. While this data cannot be used to generalize about all homeless

[55] *Ten Cities 1997-1998: A Snapshot of Family Homelessness Across America.* Homes for the Homeless & The Institute for Children and Poverty, New York.1998.

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people in shelters in Chicago, it does help to highlight particular circumstances of homeless families living in shelters that further shape their affordable housing needs. First, most of the families had two or more children (86%) with half that being in families with four or more children. Second, there is a high rate of unemployment among those surveyed (78%) when compared to the general population for women 16 years or older (44%). Third, the average amount of time since living at their last residence had been six months. Fourth, half of the parents had been on TANF more than two years. In combination, these circumstances can make it very difficult to locate, attain and remain in affordable rental housing without some type of assistance.

Data from the *Chicago Department of Human Services FY98 Homeless Services and Prevention Programs* annual report contains detailed accounts of shelter usage in the City between July 1, 1997 to June 30, 1998.[56] This report provides extensive data on individuals and families staying at shelters funded by the City of Chicago. Table 3.4 provides a summary of the unduplicated count across the three shelter programs.

Table 3.4. City of Chicago Shelter usage by Program, FY98

	GRAND TOTAL		***OVERNIGHT SHELTER (1)***		***EMERGENCY TRANSITIONAL SHELTER (2)***		***SECOND STAGE HOUSING (3)***	
	#	%	#	%	#	%	#	%
Total clients	15,237		3,667		8,656		2,914	
Total Households	10,501		3,667		4,952		1,882	
- employed	1,071	10.2%	414	11.3%	415	8.4%	242	12.9%
- with no income	5,524	52.6%	2,388	65.1%	2,348	47.8%	788	41.9%
- using other shelters	5,217	49.7%	1,340	36.5%	2,713	54.8%	1,164	61.8%
Meals served	1,348,547		194,676		909,192		244,679	
Capacity (beds)	2,617		276		1,083		1,258	
Shelter nights	934,752		93,106		379,058		462,588	
Usage rate	97.9%		91.8%		95.9%		100.9%	

(1) Overnight shelters serve single males and females for up to twelve consecutive hours each night.
(2) Emergency transitional shelters are open 24 hours a day, are year-round, and residents may stay up to 120 consecutive days.
(3) Second stage housing provides "more stable" accommodations for up to 24 months, and residents get charged for rent following HUD guidelines.

When compared to our database, the shelters in this report appear to under-represent non-profit, religious-based organizations providing shelter as well as some of the larger shelters, including the Salvation Army and Pacific Gardens Mission. It also may slightly over-represent shelters for victims of domestic violence, and appears to include sites that we classified as SRO housing. Also, the overnight shelters are located primarily in the city center and along the eastern corridor of the city. Finally, it should be noted that while the usage rate shown here is less than 100

[56] City of Chicago Department of Human Services Monitoring and Reporting Division and was published in November 1998.

percent, this does not mean that the shelters were not turning people away because they were full. In fact, 15,361 people were given referrals during the year due to a lack of space.

Tables 3.5-3.7 below provide annual statistics for overnight, transitional and second stage services. While there are many points for comparison that can be made across and between the different program types, we focus here on several themes that are important when thinking about factors shaping demand for affordable housing:

- The majority of all shelter users are African American (82%), although there is greater ethnic and racial diversity found in the overnight program.
- There is a fairly equal distribution of men and women in shelters, with exception of the overnight shelter (80% male).
- Most adults are between 22 and 40 years of age.
- Drug and alcohol abuse is the primary health-related concern for people across all shelter types.
- 36 percent of all households in shelters had no income, and 43 percent had a gross monthly income of no more than $500.
- One-third of households was homeless due to insufficient income, job loss or eviction.
- The most common reason for leaving any of the shelters was personal choice (48%), followed by successful completion of program (27%), and rules infraction (19%).
- Less than 20 percent of all households moved directly into housing, while 28 percent moved in with family or friends after exiting.
- While nearly 31 percent of the households leaving transitional housing moved into permanent housing, an almost equal amount moved in with family and friends (33%).

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Table 3.5. Profile of Persons in City of Chicago funded Shelter Programs, 1998

	TOTAL		OVERNIGHT		EMERGENCY		TRANSITIONAL	
	#	%	#	%	#	%	#	%
TOTAL	15,237		3,667		8,658		2,914	
GENDER								
male	8,538	56.0%	2,948	80.4%	4,015	46.4%	1,575	54.0%
female	6,699	44.0%	719	19.6%	4,641	53.6%	1,339	46.0%
RACE /ETHNICITY								
Black	12,461	81.8%	2,391	65.2%	7,612	87.9%	2,458	84.4%
Hispanic	1,162	7.6%	553	15.1%	459	5.3%	150	5.1%
White	1,512	9.9%	687	18.7%	534	6.2%	291	10.0%
American Indian	44	0.3%	18	0.5%	20	0.2%	6	0.2%
Asian/Pacific Islander	58	0.4%	18	0.5%	31	0.4%	9	0.3%
AGE								
5 and under	2,514	16.5%	0	0.0%	2,042	23.6%	472	16.2%
6-13	1,873	12.3%	0	0.0%	1,430	16.5%	443	15.2%
14-17	280	1.8%	3	0.1%	175	2.0%	102	3.5%
18-21	820	5.4%	137	3.7%	404	4.7%	279	9.6%
22-40	6,487	42.6%	2,129	58.1%	3,251	37.5%	1,107	38.0%
41-61	3,045	20.0%	1,295	35.3%	1,263	14.6%	487	16.7%
62 and older	218	1.4%	103	2.8%	91	1.1%	24	0.8%
HEALTH RELATED CONCERNS								
drug abuse	3,588	23.5%	522	14.2%	2,147	24.8%	919	31.5%
alcohol abuse	2,674	17.5%	612	16.7%	1,602	18.5%	460	15.8%
severe mental illness	1,378	9.0%	209	5.7%	769	8.9%	400	13.7%
HIV+ or AIDs	365	2.4%	38	1.0%	146	1.7%	181	6.2%
Development-ally disabled	214	1.4%	37	1.0%	133	1.5%	44	1.5%
chronic physical health problem	611	4.0%	117	3.2%	389	4.5%	105	3.6%
physical disability	526	3.5%	174	4.7%	302	3.5%	50	1.7%
VETERAN STATUS	769	5.0%	380	10.4%	282	3.3%	107	3.7%

Source: Chicago Department of Human Services

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Table 3.6. Previous Shelter usage and Reasons for being Homeless among Households in City of Chicago Shelters, 1998

	TOTAL		OVERNIGHT		EMERGENCY		TRANSITIONAL	
	#	%	#	%	#	%	#	%
HOUSEHOLDS	10,501		3,667		4,952		1,882	
SHELTER USAGE 6 MONTHS								
none	5,284	50.3%	2,327	63.5%	2,239	45.2%	718	38.2%
1 other shelter	3,246	30.9%	904	24.7%	1,538	31.1%	804	42.7%
2 or more other shelters	1,971	18.8%	436	11.9%	1,175	23.7%	346	18.4%
not reported	0	0.0%	0	0.0%	0	0.0%	0	0.0%
CAUSE OF HOMELESSNESS(1)								
loss of job	1,087	10.4%	792	21.6%	209	4.2%	86	4.6%
insufficient income	1,298	12.4%	693	18.9%	400	8.1%	205	10.9%
loss of public assistance	69	0.7%	37	1.0%	47	0.9%	12	0.6%
natural disaster/fire	158	1.5%	55	1.5%	84	1.7%	19	1.0%
eviction	1,232	11.7%	494	13.5%	627	12.7%	111	5.9%
in-transit	658	6.3%	440	12.0%	177	3.6%	41	2.2%
condemned	201	1.9%	25	0.7%	144	2.9%	32	1.7%
family dispute	1,458	13.9%	452	12.3%	759	15.3%	247	13.1%
domestic violence	1,048	10.0%	86	2.3%	876	17.7%	86	4.6%
neighborhood violence	118	1.1%	32	0.9%	70	1.4%	16	0.9%
released from correctional fac.	436	4.2%	202	5.5%	188	3.8%	46	2.4%
drug abuse	1,740	16.6%	194	5.3%	881	17.8%	665	35.3%
alcohol abuse	307	2.9%	105	2.9%	123	2.5%	79	4.2%
medical condition	664	6.3%	60	1.6%	367	7.4%	237	12.6%

Source: Chicago Department of Human Services (1) Category used by the Department of Human Services

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Table 3.7. Departure and Income Information among Households in City of Chicago Shelters, 1998

	TOTAL		OVERNIGHT		EMERGENCY		TRANSITIONAL	
	#	%	#	%	#	%	#	%
DESITNATION (1)	5,231		NA		4,124		1,107	
Unsubsidized housing	673	12.9%	NA	NA	481	11.7%	192	17.3%
Subsidized housing	301	5.8%	NA	NA	154	3.7%	147	13.3%
Public housing	20	0.4%	NA	NA	13	0.3%	7	0.6%
Ownership	14	0.3%	NA	NA	7	0.2%	7	0.6%
Family/friend	1,474	28.2%	NA	NA	1,112	27.0%	362	32.7%
other community facility	1,076	20.6%	NA	NA	911	22.1%	165	14.9%
in-transit / traveling	260	5.0%	NA	NA	198	4.8%	62	5.6%
deceased	12	0.2%	NA	NA	2	0.0%	10	0.9%
other	1,401	26.8%	NA	NA	1,246	30.2%	155	14.0%
INCOME (2)	5,231				4,952		1,882	
no income	1,873	35.8%	NA	NA	2,348	47.4%	788	41.9%
$1-250	412	7.9%	NA	NA	313	6.3%	188	10.0%
$251-500	1,861	35.6%	NA	NA	1,585	32.0%	602	32.0%
$501-1000	842	16.1%	NA	NA	601	12.1%	243	12.9%
$1001-1500	164	3.1%	NA	NA	88	1.8%	53	2.8%
$1501-2000	37	0.7%	NA	NA	10	0.2%	5	0.3%
$2000+	12	0.2%	NA	NA	7	0.1%	3	0.2%
unknown	30	0.6%	NA	NA	0	0.0%	0	0.0%
SOURCE	5,439				5,104		1,957	
none	1,873	34.4%	NA	NA	2,348	46.0%	788	40.3%
TANF	1,303	24.0%	NA	NA	1,214	23.8%	320	16.4%
Aged, blind and disabled	10	0.2%	NA	NA	3	0.1%	0	0.0%
Social Security	159	2.9%	NA	NA	175	3.4%	56	2.9%
Supplemental SS	585	10.8%	NA	NA	499	9.8%	260	13.3%
SS Disability	293	5.4%	NA	NA	171	3.4%	127	6.5%
Pension	14	0.3%	NA	NA	8	0.2%	3	0.2%
Earnfare	143	2.6%	NA	NA	150	2.9%	40	2.0%
Unemployment	42	0.8%	NA	NA	58	1.1%	12	0.6%
Employment	878	16.1%	NA	NA	415	8.1%	242	12.4%
VA	40	0.7%	NA	NA	25	0.5%	12	0.6%
Child Support	70	1.3%	NA	NA	29	0.6%	75	3.8%
other	29	0.5%	NA	NA	9	0.2%	22	1.1%

Source: Chicago Department of Human Services (1) Based on departure information
(2) Income at time of "exiting"

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Suburban Cook and Collar Counties

A potential source of data on homelessness in the region's suburbs is the Five-Year Consolidated Plans prepared by local and county government planning agencies for the Department of Housing and Urban Development. While we have included summaries of these plans findings in the Appendix, the data is really limited and uneven. An alternative source of data comes from the report *People Just Like You: A Report on Homelessness in Suburban Cook and the Collar Counties* by the Illinois Coalition to End Homelessness. [57]

Based on a survey of shelters in 1996, the Coalition estimated that approximately 25,581 people were homeless in the suburban Chicago area in 1996 during the course of a year and had been recorded as using a shelter program (see Table 3.8). [58] Of these, 40 percent or more were women and children, and 80 percent were from the region in which the shelter was located (i.e., county or municipality). This figure is presumed to be low since two-thirds of the shelters in suburban Cook County did not respond to the survey. Additionally, respondents to this survey indicated that they turned away 17,000 people from shelters in the suburbs and collar counties in the course of a year.

Furthermore, the "unsheltered" -- those living on the street or doubling up as well as unaccompanied minors who cannot be served by traditional shelters -- are *not* included in the 25,000 count. In this report, the conservative estimate of 47,000 is used, which was derived from adding the number of people served by shelters to the number of runaways. Experts present various ways to count these groups using different ratios. Using the commonly accepted shelter to street ratio of 1 to 1.5 (i.e., for every homeless person served by a homeless agency, 1.5 are not), the number of homeless would increase to 73,952 (25,581 + (1.5 x 25,581)).

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Table 3.8. Estimates of Homeless Persons in Suburban Shelters, 1996

COUNTY	***SUBURBAN COOK NORTHWEST***	***REST OF SUBURBAN COOK***	***DUPAGE***	***KANE***	***LAKE***	***MCHENRY***	***WILL***
Shelter population *(unduplicated count)*	6,782	9,366	3,271	4,282	3,500	358	1,190
Adults	5,900	6,556	2,172	3,536	2,450	256	952
Children	882	2,810	1,099	746	1,050	102	238
Homeless not using a shelter *(estimate based on 1:1.5 ratio)*	10,173	14,049	4,906	6,423	5,250	537	1,785
Adults	8,851	9,834	3,238	5,331	3,675	376	1,428
Children	1,322	4,215	1,668	1,092	1,575	161	357

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1999 Survey of Homelessness in the Region

[57] Joseph P. Clary and Diane D. Nilan, eds. *People Just Like You: A Report on Homelessness in Suburban Cook and the Collar Counties.* March 1996. Elgin, IL: Illinois Coalition to End Homelessness.
[58] This total included DeKalb County, which recorded 832 people in shelter and estimated 1,248 homeless people not in shelters.

While many surveys and studies have been completed to count people and assess homelessness in the Chicago region, no single report provided a complete set of numbers that was uniformly collected across the region and that could help us know more about specific housing needs. For this reason we conducted a survey of shelter providers, with the aim of 1) gaining a better understanding of factors contributing to the need for shelter in their part of the regions, 2) identifying what types of housing assistance might be needed beyond "making it affordable", and 3) developing an overall picture of who is homeless in the entire region. We also aimed to have a 100 percent response rate, in order to produce a complete census of the shelter population at one point in time; however, given time constraints and timing, we were unable to meet this objective. A key concern is that several seasonal shelters were closed during the summer, so they did not respond. Also, we know that many smaller volunteer run programs did not have staff who could respond.

To develop our universe, we compiled a comprehensive list of shelters and homeless service providers from various sources, which is in the Appendix.[59] From this list, we identified 143 organizations that were either identified clearly as a shelter provider or as offering some type of shelter assistance in the six county area. A survey was mailed in early June of 1999 to all 143 organizations. Respondents were given the option to mail or FAX back their survey, or contact us to complete the survey over the phone. We also indicated that we would try to contact people by phone and attempted to reach all the agencies within a few weeks of its mailing. A second mailing to non-respondents was sent in late July. Of the total, we received 42 completed surveys. Five were returned "undeliverable" and 13 organizations responded by stating that they do not provide shelter, producing a 33.6% response rate. When the responses are sorted by county, McHenry and Cook County are under-represented while DuPage is over-represented (see Table 3.9).

Table 3.9. Shelter Survey responses by County

County	*Mailed*	*%*	*Completed*	*%*	*Not a Shelter*	*Undeliverable*
Cook	115	80.4%	32	76.2%	10	4
Chicago	71	49.7%	19	45.2%	5	1
Suburbs	44	30.8%	12	28.6%	5	3
DuPage	11	7.7%	6	14.3%	3	0
Kane	5	3.5%	2	4.8%	0	0
Lake	4	2.8%	1	2.4%	0	1
McHenry	4	2.8%	0	0.0%	0	0
Will	4	2.8%	1	2.4%	0	0
Total	143	100.0%	42	100.0%	13	5

Nearly all the responding organizations were not-for-profit and provided shelter year-round rather than seasonal (87.5%). Close to half of the responses came from emergency or overnight shelters. In general, most of the shelter providers indicated that they were seeing more homeless

[59] Sources include but were not limited to advocacy organizations, published reports, internet searches, funding reports, and newspaper articles.

persons, more women and children, and younger heads of households. Table 3.10 contains the total unduplicated count along with some basic demographics.

A key area of interest was determining the extent that people in shelters just need affordable housing or if some type of supportive services is required as well.[60] Based on survey respondents' estimates, approximately 87 percent of their clientele would need some type of support in addition to affordable housing, with about half of that total probably requiring services on-site.

Table 3.10. Unduplicated Count of Shelter Users in the Six county region, 1999

	Unduplicated Count (n=42 shelters)
Capacity	
Persons	2,248
Families	253
Total served in year	
Persons	13,997
Family	1,314
Adults	10,888
Children	3,109
Adults by age (1)	
18-25	21.0%
26-40	45.7%
41-55	27.8%
56-70	5.5%
71+	0.6%
Race / Ethnicity (1)	
White	26.8%
Black	54.6%
Latino	13.3%
Asian	2.1%
Other	3.2%
Supportive services(1)	
no services	13.2%
Services in bldg	42.4%
services not in bldg	44.4%

Source: UIC Survey of shelter providers
(1) Based on total unduplicated count of shelter users

While the responses are generally proportional to the overall shelter list we assembled, the numbers presented here are not a complete count of persons and families seeking shelter in the Chicago region. One method to generate an estimate is to extrapolate from these results a total

[60] The survey did not ask what types of services or to what extent they would need to be ongoing. Answers to both questions are assumed to vary with the program and respondents' perceptions.

number based on an average unduplicated count multiplied by the number of shelters not responding. With an average of 333 persons per shelter in one year (i.e., 13,397/42), the estimate would be about 41,700 unduplicated shelter users in the six county Chicago region. Clearly, this measure should be used with caution, since we do not know the capacity of the shelters not responding.

Estimates of Persons Doubling up and Living on the Street

While we could not literally count the number in each of these categories, we did try to locate existing data that could provide evidence of the potential magnitude of non-shelter users. One method is to look at data on those places that often provide temporary assistance during cooler weather. This includes counts of persons using warming centers in the City of Chicago, as well as sites that provide prepared food and pantries. While these are not precise counts, the data provides a pretty good sense of the homeless population not utilizing shelters. The most recent report from the City of Chicago found that warming centers served a total of 16,323 unduplicated clients during the 1998 fiscal year. Emergency food programs served 3,186 clients, of whom 114 were homeless.[61]

A relatively generalizable source of data for the region on "doubling -up" is the annual survey by the Metropolitan Chicago Information Center (MCIC),[62] which includes various questions about respondents' experience with others living temporarily in their home. Five percent of the respondents in the six-county area reported that someone was living temporarily with them. About three-quarters of this total were relatives, and the majority were between the age of 26 and 55. At this rate, as many as 130,000 households may have had another person or family living temporarily with them in the course of a year during the 1991-97 time period.[63]

Table 3.11. Percentage of MCIC survey respondents indicating "doubling up" (1991-97)

	Percent of respondents
6-County region	5%
Chicago	7%
Suburbs	4%
White	4%
Black	8%
Latino	10%
Low Income	7%
Medium Income	5%
High Income	4%

In general, these survey results suggest that there are higher rates and numbers of people doubling up in Chicago than in the suburbs; higher rates of doubling up among blacks and Latinos than whites; and higher rates of doubling up among lower income households than those with medium or high income levels.

[61] We were unable to find data that was consistent or from an equivalent source most of the suburban areas.
[62] Metropolitan Chicago Information Center, *Annual Metro Survey, 1991-97*. Each year, MCIC conducts a survey on a wide range of policy issues affecting the Chicago six-county metropolitan area. Approximately 3,000 respondents are polled in the fall and winter. The sample is selected using random digit dialing. We did not have standard errors to create confidence intervals around the estimate. http://www.mcic.org/htmls/metrosurvey/.
[63] This is based on 5% of the households in 1995, using the AHS count, and should be used as an upper limit.

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Determining Affordable Rental Housing Needs

Based on the three different sources, the number of unduplicated homeless *persons* that stayed in a shelter in 1998 is estimated to be close to 42,000 in the region. Using a shelter-to-street ratio of 1:1.5, we could assume that another 63,000 people were living on the street during this time.[64] As many as 130,000 different persons and/or families could have doubled-up during this time based on the estimate the 5% of the households in the region had someone staying in their home that did not normally reside there or was on the lease.

Using these numbers as a base, we can estimate the number of *different* homeless households in the Chicago region over the course of year that were in need of affordable housing. To do this, we first need to calculate the number of *households* (single persons, families or persons that will reside together in a common housing unit). Taking into account the high number of singles and large families in shelters, we assumed an average household size is 2.5, which is less than the average in the region. Second, we need to make assumptions about the degree to which there is overlap across the different sources of data. If we assume that all these households represent unduplicated *unmet* housing demand, then we would use each total at 100 percent. However, since this is unlikely, we propose instead two alternative scenarios that aim to take into account overlap by reducing the aggregate number of households in need of housing across the three groups. Table 3.12 shows two different scenarios, which provides a high and low estimate of *unmet* housing demand. These are based on different assumptions about what percentage of people on living on the streets, in shelters or doubled-up are unduplicated (i.e., not counted in more than one category):

Scenario 1. 100% of the households in the shelters
50% of the households "doubled-up"
1:1.5 shelter to street ratio

Scenario 2. 75% of the households in the shelters
25% of the households "doubled-up"
1:1.0 shelter to street ratio

Clearly, Scenario 2 produces a more conservative estimate of unmet demand. This low end boundary is considered to be the minimum number of homeless "households" in need of affordable housing in 1999, while Scenario 2 is considered a high end boundary.

[64] This method is employed here as a means to provide a single estimate for the entire region, because resources and data were limited. It is advised that other empirical data may be available from sources depending on the location.

Table 3.12. Two Estimates of Homeless Households in need of Affordable Housing

	Number of Households:			
Scenario:	Shelter (1)	Street (2)	Doubled-Up (3)	Total Demand
1 100% shelter 50% doubled up 1:1.5 shelter to street ratio	16,700	25,000	65,000	106,700
2 75% shelter 25% doubled up 1:1.0 shelter to street ratio	12,500	16,700	32,500	61,700

(1) Base number of households determined by multiplying the estimated total number of shelter users by 2.5.
(2) Base number of households determined by multiplying the estimated total number of persons living on the streets by 2.5.
(3) Based on the assumption that 5% of the region's households had a person or family staying in house. This number is considered to be the total households that were doubled up. Assume that about 75% are relatives.

These estimates are designed to take into account unduplicated unmet demand during a period of time, similar to the number of households paying too much income for rent or living in poor housing conditions. While these calculations produce an estimate of homeless households likely to be in need of affordable rental housing, they do not take into account earlier stated assumptions about differences among the three groups. A key factor here is the degree to which people also need some level of support beyond income or rental assistance, to help them maintain a permanent residence. This can include anything from assistance with daily living routines to childcare to periodic help with household chores.

Using the rates shelter providers indicated, we might assume that 75 percent of all homeless households will need some type of supportive services in conjunction with affordable housing and about half of that might be on-site. These totals then can be divided further to estimate the number of households that might need supportive services on-site (between approximately 23,000 and 40,000).

3.2. Persons/Households with Disabilities

Assessing the need for specific types of housing to accommodate persons with disabilities requires first getting a good handle on what is meant by the term "disability" as it relates to people in the community, advocates for disability rights and under current laws. While the research was limited to determining the need for affordable, wheelchair accessible units in the Chicago area, we also looked at a broader definition of disability, to examine housing needs among persons with other physical impairments that also need housing that is physically accessible.

Estimating the need for affordable and accessible units required using a combination of data from various public agencies and local organizations serving this population. We also utilized prevalence rates of specific disabilities found in national data and the census to determine overall rates of various types of mobility impairments and then what proportion of the population is likely to have income levels that prevent attaining accessible housing in the private market or adapting existing inaccessible housing without some form of assistance.

Defining Disability Under the Law and in Practice

Numerous civil rights laws apply to persons with disabilities. Most of these laws use the same general definition of disability:

- Having a physical or mental impairment that substantially limits one or more major life activities and/or
- Having a record of a physical or mental impairment and/or
- Being perceived by another as an individual with a physical or mental impairment.

The *Americans with Disabilities Act of 1990* (ADA) uses the above definition, which is quite broad, and includes not only those persons who cannot perform major life activities, but also those who have difficulty performing them as others do.[65] The number of people cited in the ADA legislation as having disabilities was 43 million Americans; this number included all people with visual, hearing, orthopedic, and other anatomical impairments, regardless of whether the impairments limited their activities.[66]

The *Survey of Income and Program Participation* (SIPP) uses a definition of disability which includes limitations in specific functional activities, activities of daily living (ADLs) and instrumental activities of daily living (IADLs), the ability to work, the use of special aids, and the presence of specific conditions relating to mental functioning. The National Health Interview Survey (NIHS) defines disability as being limited in activity by chronic health conditions.

[65] LaPlante, M.P. (1992). *How Many Americans Have a Disability?* Disability Statistics Abstract (5). Washington, D.C.: U.S. Dept. of Education, National Institute on Disability and Rehabilitation Research (NIDRR).
[2]ADA, Section 2 (a)(1), 42 U.S.C. Section 12101 (a)(1).

Accessible housing

As with the variation found in the definition of disability, so too is there variation in the terms used to describe the range of approaches to meeting housing related demand among persons with physical impairments. However, not all people with impairments are in need of accessible housing. For example, a person missing the tip of one finger, while classified as having an impairment, will not usually require significant adaptations to a housing unit.

In general, existing laws help shape the definition of accessibility used in the development of affordable housing. The ADA, which prohibits discrimination on the basis of disability in programs and services offered by state and local governments, contains requirements for new construction, alterations and renovations to buildings and facilities, and for improving access to existing facilities of private companies that provide goods or services to the public.

The *Fair Housing Act* enacted in 1968 was amended and broadened in 1989 (FHAA) to prohibit housing discrimination against people with disabilities. The Act prohibits denial of sales, loans, or rent because of a person's disability. The Act also requires that all apartment buildings and condominiums built after March 13, 1991 that contain four or more units must have units which are accessible to wheelchairs on the first floor, and if there are elevators, on upper floors as well. The Fair Housing Act defines "accessible" as meaning that the public or common use areas of the building can be approached, entered, and used by individuals with physical handicaps; that the building entrance is on an accessible route; that the doors are usable; that routes throughout the unit are accessible; that kitchens and bathrooms are usable; that reinforced walls for grab bars are present; and that environmental controls such as light switches are in accessible locations.

An additional civil rights law pertaining to disability is *Section 504 of the Rehabilitation Act of 1973*, which is applicable to federally funded public housing or assisted housing with five or more units in the same project constructed after July 1988. It states that five percent (5%) of such housing must be fully accessible to persons with physical impairments, and two percent (2%) to persons with visual and/or hearing impairments. It also provides for a person to request and receive reasonable accommodation (e.g., allowing a service animal in a no-pet building).

In Illinois, the *Illinois Environmental Barriers Act of 1985* (IEBA) is intended to remove architectural barriers in businesses and new housing. It is quite similar to the FHAA, except that it applies to fewer developments. It is applicable to privately funded housing of ten or more units and four or more floors ready for first occupancy after May 1, 1988, and to governmentally funded or assisted developments of five or more units at the same site.

Finally, "Accessibility" is not the same concept as "visitability," a word that is increasingly used by disability activists and HUD. In March 1998, the British Parliament passed legislation requiring that all new homes, not just a percentage of units, can ensure access for persons in wheelchairs. The legislation required that every new home must have an entrance without steps, a downstairs bathroom, sufficiently wide halls, and doorways passable by wheelchairs, and have other elements of universal design.[67] These new regulations aim to make sure that all housing is

[67] The Times of London, Dec. 5, 1997.

accessible to occupants and that it is visitable by others who are disabled, as well as those who are temporarily disabled, elderly, and with young children.[68]

Determining the Demand for Affordable, Accessible Rental Housing

According to the National Council on Disability, people with disabilities are older, poorer, and less employed than people without disabilities.[69] In January 1995, 30 percent of people with work disabilities had income below the poverty level, compared with 10.2 percent of the working-age population without work disabilities. Furthermore, the average family income for all families in 1995 was $46,478, while it was only $28,067 for families of people with disabilities. The following presents a review of different data sources and relevant findings on persons with physical impairments and income restrictions that shape demand for affordable accessible housing.

National Health Interview Survey (NHIS): The NHIS is a household survey of the noninstitutionalized United States population conducted by the Census Bureau for the National Center for Health Statistics, which provides annual disability data since 1970. According to the 1990 NHIS data, the three disabling impairments ranking at the top in prevalence are orthopedic impairments, arthritis, and heart disease. A further analysis of the 1992 NHIS found the following: [70]

- 15 percent (37.7 million) of the total U.S. non-institutionalized population report some activity limitation due to chronic health conditions.
- Females report a higher number of activity-limiting conditions than males (1.67 versus 1.56 per person).
- The most frequent causes of work disability are back disorders (16.4%), heart disease (13.1 %), arthritis (8.1%), diabetes (4.6%), and orthopedic impairments of the lower extremities (4.5%).
- The overall rate of activity limitation has increased between 1983-85 and 1992 from 14.1% to 15.0%.
- Of the population aged 18-69, 10 million people are unable to work at a job or business due to chronic health conditions.[71]

[68] The concepts embodied in the new U.K. regulations originated with the Joseph Rowntree Foundation's concept of a "Lifetime Home," one that lasts from cradle to grave. Concrete Change, a disability activist group, contends that this U.K. legislation will have a ripple effect, and will render obsolete the assertions of groups such as the National Association of Home Builders that basic access is not needed and cannot be done. See http://concretechange.home.mindspring.com.
[69] *Achieving Independence: The Challenge for the 21st Century*. July 26, 1996.
[70] *How Many Americans Have a Disability?* Disability Statistics Abstract. Washington, D.C.: U.S. Department of Education, National Institute on Disability and Rehabilitation Research (NIDRR), 1992.
[71] LaPlante, M.P. *Disability in the United States: Prevalence and Causes, 1992*. San Francisco: Univ. of California San Francisco, Disability Statistics Rehabilitation Research and Training Center, Institute for Health & Aging, 1996.

A report on trends in disability rates in the U.S. from 1970 to 1994 found that the proportion of the U.S. population with disabilities "has risen markedly" due to two factors: a demographic shift to an aging population, and a greater number of children and young adults reported as having disabilities. [72] In 1992, orthopedic impairments comprise 26.7 % of all impairments, with visual impairments at 2.1%, hearing impairments at 1.9%, and paralysis at 1.8%.[73]

The *Chartbook on Disability in the United States, 1996* reports that 19.4 % of the non-institutionalized population of the U.S. has a disability, with one-half of those (an estimated 24.1 million people) having a severe disability. It further reports that disability increases with age: 3.3% of people aged 15-24 are severely disabled, while 41.5% of those aged 75-84 are severely disabled.[74]

Survey of Income and Program Participation (SIPP): The SIPP is a longitudinal survey of non-institutionalized persons started in 1984 and conducted by the U.S. Census Bureau. The survey design is a continuous series of national panels in which the same households are interviewed every four months for 2 ½ to 4 years. At the end of 1994, 20.6% of the population (54 million people) had some level of disability; and 9.9% (26 million people) had a severe disability. Furthermore, of the 237 million people 6 years or older, 1.8 million used a wheelchair, and an additional 5.2 million used canes, crutches, or a walker.[75]

U.S. Census: The decennial census of population is an additional source of data on disability. Beginning in 1970, long-form questionnaires contained questions about disability status.[76] Table 3.13 below shows the overall rate and count of non-institutionalized persons with disabilities in the six counties in Chicago in 1990.

Table 3.13. Selected Characteristics of Civilian Non-Institutionalized Persons 16-64, 1990 [77]

COUNTY	***NON-INSTITUTINALIZED POPULATION***	***PERCENTAGE WITH DISABILITIES***	***NUMBER OF PEOPLE WITH DISABILITIES***
COOK	3,310,684	10.4%	343,217
DUPAGE	526,490	5.0%	26,172
KANE	200,370	7.4%	14,822
LAKE	323,890	6.3%	20,460
MCHENRY	117,096	6.2%	7,294
WILL	226,355	6.9%	15,715

[72] Kaye, H.S., et al. (1997). *Trends in Disability Rates in the United States, 1970-1994*. Disability Statistics Abstract (17). Washington, D.C.: U.S. Department of Education, National Institute on Disability and Rehabilitation Research.
[73] LaPlante, M.P. (1996). *Health Conditions and Impairments Causing Disability*. Disabilty Statistics Abstract (16). Washington, D.C.: U.S. Department of Education, National Institute on Disability and Rehabilitation Research.
[74] Kraus, L.F., et al. (1996). Chartbook on Disabilty in the United States, 1996. Washington, D.C.: U.S. Dept. of Education, National Institute on Disability and Rehabilitation Research.
[75] McNeil, J.M. (1997). *Americans with Disabilities: 1994-95*. Current Population Reports. (Census Bureau P70-61). Washington, D.C.: U.S. Dept. of Commerce, Economics and Statistics Administration.
[76] Census data regarding disabilities is available on-line at Http://www.census.gov/cgi-bin/hhes/disapick.pl.
[77] Http://www.census.gov/cgi-bin/hhes/disapick.pl.

Metropolitan Chicago Information Center (MCIC) Survey: In MCIC's annual survey, respondents are asked questions about disability. Based on aggregate findings, twelve percent (12%) of respondents in the six-county area reported that someone in their household was disabled. Respondents were also asked how accessible their workplace was to someone in a wheelchair. In the six-county area, 64 percent of respondents answered “Easy,” 18 percent answered “Somewhat difficult,” 7 percent answered “Very difficult,” and 9 percent answered “Impossible.” An additional question asked was whether the respondent favored subsidized housing for the disabled. The response for the six-county area was that 79 percent favored such housing.

Report on Illinois Disability Policy Forums: Public forums on the concerns and needs of people with disabilities were conducted in August 1996 in six locations in Illinois, including two in the metropolitan Chicago area (Chicago and Glen Ellyn). The most frequently mentioned need among participants was transportation, which was followed closely by housing.[78] The need for affordable accessible housing was frequently mentioned as offering people with disabilities the opportunity to live in their communities rather than in institutions. Additionally, the need for more Section 8 housing was frequently mentioned, as well as the fact that much affordable housing was either substandard and/or inaccessible.

1998 NOD/LOU HARRIS POLL: The 1998 National Organization on Disability/Louis Harris Associates Survey of Americans with Disabilities, a survey of 1011 Americans with disabilities aged 16 and older, was conducted in Spring 1998. Previous Harris studies were conducted in 1986 and 1994. The survey examined ten major “indicator” areas of life, including employment, education, income, political participation, going to a restaurant, access to transportation, health care, satisfaction with life, frequency of socializing, and attendance at religious services.[79] The survey found that Americans with disabilities lag behind Americans without disabilities in most of these areas. Large gaps exist in many cases, and the gaps have widened since the earlier surveys. While housing was not addressed, questions were asked about employment and income. Eight in ten non-disabled working-age adults are employed full-time, while only three in ten disabled working-age adults are so employed. This low rate of employment leads to an income gap: 34 percent of adults with disabilities lived in a household with an annual income of less than $15,000 in 1997, compared with only 12 percent of those without disabilities.

Centers for Independent Living (CILs): CILs were developed in the U.S. to provide programs of services for persons with disabilities or groups of individuals with disabilities; these programs are to promote independence, productivity, and quality of life. State units of vocational rehabilitation and gubernatorial appointed consumer-controlled statewide independent living councils develop and sign three-year State plans for independent living based upon plans from local CILs.[80] Approximately 250 CILs operate nationwide, with at least one in each state. The first CIL in Illinois was established in 1980 with a grant to Access Living of Chicago from the Illinois Department of Rehabilitation Services (DORS)

[78] Illinois Assistive Technology Project and Coalition of Citizens with Disabilities in Illinois. (1996). *Report on Illinois Disability Policy Forums*. Springfield, Illinois: Illinois Assistive Technology Project.
[79] Coalition of Citizens with Disabilities. *Summary of NOD/Lou Harris Poll—1998.* Http://web.inw.net/~ccdi/harris.htm.
[80] Rehabilitation Services Administration. *Centers for Independent Living.* Http://www.ed.gov/offices/OSERS/RSA/PGMS/cil.html.

(now part of the Illinois Department of Human Services). Twenty-three CILs now exist statewide, including six in the metropolitan Chicago area.

The Statewide Independent Living Council of Illinois (SILC) works to enhance, establish, and develop CILs in Illinois. Each state SILC, together with the State rehabilitation agency, jointly develops and signs off on the State Plan for Independent Living. The Plan specifies how Title VII, Part B independent living dollars will be used. As part of developing its three-year plan for FY 1996-1998, SILC conducted a statewide needs assessment of the Illinois CILs. Information was gained from site visits, a mailed survey to selected CIL consumers, interviews with various members of the community, focus groups, a statewide telephone survey of Illinois residents with disabilities who had not been CIL consumers, and a review of demographic statistics.

SILC's Needs Assessment applies different rates to determine projected disabilities by each CIL in Illinois using three different estimates: Rehabilitation Services Administration (5%), 1990 Census "Severe disabilities" (9.6%), and 1990 Census "All Disabilities" (19.4%). Table 3.14 shows the breakdown for the metropolitan Chicago CILs as of 1998.[81]

Table 3.14. SILC Needs Assessments for each CIL in the Chicago region, 1998

CENTER FOR INDEPENDENT LIVING	*TOTAL POPULATION*	*RSA (5%)*	*SEVERE (9.6%)*	*ALL (19.4%)*
Access Living, Chicago	2,783,726	139,186	261,670	540,043
DuPage, Lombard	816,667	39,083	73,477	151,643
Fox River Valley CIL, Elgin	540,125	27,006	50,772	104,784
Lake Co., Mundelein	516,418	25,821	48,543	100,185
Progress CIL, Oak Park *(overlaps with Access Living)*	2,321,341	116,067	222,849	450,340
Will Grundee CIL, Joliet	389,650	19,483	36,627	75,592

"All disabilities" includes any one of the following: using a wheelchair, cane, crutches or walker; having difficulty performing one or more functional activities; having difficulty with one or more activities of daily living; having difficulty with one or more instrumental activities of daily living; having one or more specified conditions; being limited in ability to do housework; being limited in the ability to work at a job (16-67 years old); or receiving federal benefits based on inability to work. People age 15 and over are identified as having a "severe disability" if all of the above criteria applied.

[81] SILC. *Independent Living Needs Assessment.* Http://www.fgi-net/~silc,

Estimating Need for Accessible Affordable Rental Housing

While there are no existing studies that measure housing demand among persons needing accessible and affordable housing, statistics from the Joint Enforcement for Disability Access (JEDA) Project of HUD suggest there is likely to be a significant level of unmet housing need among persons with disabilities in the metro area based on the volume of calls recorded annually.
Access Living of Metropolitan Chicago administers the JEDA program locally, which tracks housing-related calls from: Access Living, DuPage, Fox River Valley, Lake, and Progress but not Will-Grundy. Table 3.15 contains the total number of housing referral calls to these CILs for 1996-1998. Between 1997-98, there was a 33.6% increase in requests for housing related assistance and advice. More recent data available from the DuPage CIL shows 128 calls during the March/April/May 1999 period.[82] During this same time, the Lake County CIL received 46 calls.[83]

Table 3.15. Quarterly JEDA Housing Referral Calls Received[84]

PERIOD	*1997*	*1998*
First Quarter	271	793
Second Quarter	866	946
Third Quarter	845	892
Fourth Quarter	605	826
Total	2,587	3,457

Furthermore, a recent report, *Priced Out in 1998: The Housing Crisis for People with Disabilities*,[85] documents the extent of the housing crisis for the 4,375,650 people nationwide with disabilities who receive Supplemental Security Income (SSI) benefits. Nowhere in the United States can people receiving SSI benefits follow federal guidelines for housing affordability and pay only 30 percent of their monthly income for rent. In Illinois, the SSI benefit is equal to only 21.8 percent of area median income in the state, well below the 30 percent threshold used to determine extremely poor households. When SSI income is expressed as an hourly rate, the Illinois rate would be $3.09, well below the 1998 federal minimum wage of $5.15 per hour. A person with SSI benefits in Illinois would have to pay on average 56.3 percent of his/her benefits to rent an efficiency, and 64.4 percent of benefits in order to rent a one-bedroom apartment. Two housing market areas in Illinois require more than 100 percent of monthly SSI benefits in order to rent an efficiency apartment: Chicago and Kendall County, which both require 104 percent for an efficiency and 125.3% for a one bedroom unit.

[82] Conversation on June 14, 1999 with Mike Reidy, DuPage Center for Independent Living, JEDA Coordinator.
[83] Fax from Karen Blatcher, Lake County CIL, Housing Coordinator. Received June 16, 1999.
[84] JEDA Staff. (1999). *Access Living of Metropolitan Chicago Joint Enforcement for Disability Access (JEDA) Project FHIP Final Report. Fiscal Years 1996-1998*. Contract #FH006-96-050.
[85] *Priced Out in 1998: The Housing Crisis for People with Disabilities* (March 1999). Elizabeth Edgar, Ann O'Hara, Brian Smith, and Andrew Zovistoski. Published by The Technical Assistance Collaborative, Inc., Boston, Mass.and The Consortium for Citizens with Disabilities Task Force, Washnington, D.C.

As of December 1998 the number of persons receiving SSI payments in Illinois was 255,099. Table 3.16 shows that out of this total, nearly 70 percent of the people lived in the six county region, and most in Cook County. Approximately 27,000 received payments due to their age, with the remaining 149,000 receiving payments due to being blind or disabled.

Table 3.16. Number of persons receiving SSI by reason for assistance, 1998

COUNTY	*TOTAL*	*AGED*	*BLIND / DISABLED*	*18 YEARS & UNDER*	*18-64 YEARS*	*65 YEARS & OLDER*
Cook County	158,266	23,392	134,874	24,619	93,795	39,852
DuPage County	5,238	1,813	3,425	577	2,434	2,227
Kane County	3,594	548	3,046	790	2,026	778
Lake County	4,339	801	3,538	799	2,425	1,115
McHenry County	933	120	813	171	603	159
Will County	3,408	382	3,026	621	2,140	647
Total	175,778	27,056	148,722	27,595	103,377	44,843

While these data indicate need for affordable housing based on the source of income (SSI), they do not necessarily tell us the number of people who are likely to need accessible housing. Alternative data from the U.S. Census can be used to derive an estimate of demand for physically accessible housing. First, an estimate of the number of people with *mobility limitations* by income group can be calculated using rates from the 1990 US Census (see Table 3.17). Table 3.18 was derived using this method. Based on these estimates, there are about 435,000 individuals of working age with mobility limitations that are unable to work, and of this total, two-thirds are likely to have incomes that qualify them for housing assistance (incomes based on 1998 poverty thresholds up to 80% of AMI).

Second, a more specific estimate of demand for wheelchair accessible units can be calculated using data from the U.S. Department of Commerce, Economics and Statistics Administration, which provides a whole range of SIPP data on persons with disabilities. According to the 1994-95 survey, 0.8 percent of the entire population six years or older used a wheelchair. Of all people who are between the ages of 21 and 64 years of age and use a wheelchair (0.45%), only 22 percent are employed. Applying these rates to the current population in the six county region produced the numbers in Table 3.19. While employment status does not tell us much, it functions here as a proxy for income. As Figure 3.19 shows, there may be more than 57,000 people using a wheelchair who are between the ages of 6 and 64. Given the fact that the majority of this population are either under the age of 21 (67%) or likely to be unemployed (78% of persons 21-64 years of age), it is likely that most persons will likely qualify for some form of housing assistance. These estimates are treated as conservative, since it excludes children and persons over the age of 64. Furthermore, these are estimates of individuals in need of accessible housing, which may be a single adult or part of a larger family.

Table 3.17. Income levels of persons with a work disability, 1990 [86]

INCOME	*TOTAL*	*WITH WORK DISABILITY*			*WITH ML OR SCL*		
by rate of poverty		**TOTAL**	**UNABLE TO WORK**	**WITH A ML**	**TOTAL**	**WITH A ML**	**WITH A SCL**
COOK							
Below 1.00	26.6%	28.1%	37.0%	32.1%	27.6%	31.0%	27.1%
1.00 to 1.24	5.4%	5.9%	7.4%	7.1%	5.4%	6.7%	5.0%
1.25 to 1.99	13.9%	13.7%	15.4%	15.3%	14.6%	15.5%	14.5%
2.00 to 2.99	16.7%	15.8%	14.7%	15.4%	17.1%	16.0%	17.4%
3.00 to 3.99	12.7%	12.0%	9.7%	11.2%	12.7%	11.6%	13.0%
4.00 +	24.9%	24.5%	15.8%	19.0%	22.6%	19.2%	22.9%
DUPAGE							
Below 1.00	7.0%	8.4%	13.3%	10.1%	6.3%	9.5%	6.0%
1.00 to 1.24	2.1%	2.4%	3.3%	3.7%	2.1%	3.3%	1.8%
1.25 to 1.99	8.1%	7.8%	10.0%	9.0%	9.0%	9.5%	9.1%
2.00 to 2.99	13.8%	13.8%	15.5%	15.5%	14.5%	15.7%	14.5%
3.00 to 3.99	17.2%	16.4%	16.5%	17.6%	18.6%	17.1%	18.1%
4.00+	51.7%	51.1%	41.3%	44.2%	49.6%	44.9%	50.6%
KANE							
Below 1.00	13.8%	15.5%	23.3%	18.3%	13.1%	17.3%	11.7%
1.00 to 1.24	3.8%	4.5%	7.5%	5.9%	3.7%	5.1%	2.9%
1.25 to 1.99	10.8%	11.5%	14.6%	14.2%	11.0%	13.1%	10.2%
2.00 to 2.99	17.9%	16.5%	15.2%	13.7%	18.7%	14.5%	20.4%
3.00 to 3.99	16.6%	16.0%	14.5%	18.0%	18.1%	19.8%	15.9%
4.00 +	37.0%	36.1%	25.0%	29.8%	35.3%	30.2%	38.8%
LAKE							
Below 1.00	12.6%	13.8%	22.8%	17.4%	13.4%	17.0%	12.5%
1.00 to 1.24	2.8%	3.4%	4.4%	5.4%	2.8%	5.2%	2.3%
1.25 to 1.99	10.5%	10.8%	11.8%	11.3%	10.2%	11.0%	10.3%
2.00 to 2.99	16.0%	15.8%	16.3%	13.2%	15.2%	14.6%	16.0%
3.00 to 3.99	14.9%	15.1%	12.5%	16.6%	15.4%	15.9%	14.9%
4.00 +	43.3%	41.1%	32.2%	35.9%	42.9%	36.4%	44.0%
MCHENRY							
Below 1.00	7.7%	7.8%	12.7%	9.1%	7.9%	9.1%	6.2%
1.00 to 1.24	3.6%	3.9%	5.9%	7.2%	4.4%	6.8%	4.7%
1.25 to 1.99	9.9%	11.2%	15.6%	14.6%	10.1%	13.8%	10.0%
2.00 to 2.99	14.8%	14.6%	17.1%	12.9%	14.1%	13.9%	14.2%
3.00 to 3.99	19.4%	18.2%	20.3%	15.9%	20.3%	17.1%	21.8%
4.00 +	44.6%	44.3%	28.4%	40.5%	43.1%	39.3%	43.2%
WILL							
Below 1.00	14.9%	16.0%	24.7%	22.4%	17.2%	21.5%	16.8%
1.00 to 1.24	2.7%	2.9%	3.3%	2.9%	2.5%	2.8%	2.0%
1.25 to 1.99	11.6%	12.2%	16.2%	13.4%	11.3%	12.2%	11.1%
2.00 to 2.99	17.0%	16.8%	17.3%	16.6%	17.3%	16.9%	16.8%
3.00 to 3.99	17.9%	16.9%	14.7%	16.7%	18.9%	17.7%	20.3%
4.00 +	35.9%	35.2%	23.7%	28.0%	32.9%	28.9%	33.0%

[86] Income is given as a rate of poverty (e.g., 1.00 to 1.24 means income is between 1 and 1.24 times that of the current poverty threshold).

Table 3.18. All Persons between 16-64 with Mobility Limitations by Income level, 1999

	COOK	DUPAGE	KANE	LAKE	MCHENRY	WILL	6 county total
Total with Mobility Impairment(1)	332,925	28,184	17,630	24,175	9,315	19,492	***435,386***
Below poverty (2)	106,813	2,857	3,229	4,216	845	4,373	**132,598**
1-1.24 x poverty rate	23,543	1,045	1,048	1,311	667	563	**29,974**
1.25-1.99 x poverty rate	50,858	2,526	2,502	2,744	1,356	2,605	**64,915**
2-2.99 x poverty rate	51,189	4,358	2,410	3,194	1,200	3,239	**66,777**
3-3.99 x poverty rate	37,380	4,953	3,179	4,021	1,477	3,260	**50,782**
4 x poverty rate	63,141	12,445	5,261	8,688	3,770	5,450	**90,340**

(1) Rate of persons with a mobility limitation and unable to work.

(2) Poverty rate is relative to family size and is adjusted annually. The weighted average threshold in 1998 for a family of four was $16,660. At this rate, 1.24 x poverty rate = $20,658; 1.99 x poverty rate = $33,153; 2.99 x poverty rate = $49,813; 3.99 x poverty rate = $66,473.

Table 3.19. Estimates of Persons Age 21-64 using a wheelchair by employment status, 1999

	Age 6 or older total population	Age 6+ using a wheelchair	Age 21-64 Total population	Age 21-64 using a wheelchair	Employed	Unemployed
Cook County	4,792,067	**38,336**	2,790,356	**12,557**	2,762	9,794
DuPage County	811,426	**6,491**	572,710	**2,577**	567	2,010
Kane County	356,207	**2,850**	284,606	**1281**	282	999
Lake County	554,526	**4,436**	409,164	**1,841**	405	1,436
McHenry County	220,839	**1,761**	212,931	**958**	211	747
Will County	422,338	**3,379**	322,213	**1450**	319	1131
6-County Area	7,157,403	**57,259**	4,185,860	**18,836**	4,144	14,692

A crude measure of unmet demand for accessible housing can be determined by looking at the supply of rental housing that is likely to be wheelchair accessible in order to see if there is a deficit or surplus of units. However, while this data can help with determining the proportion of persons who are disabled or with mobility limitations likely to need low-cost affordable rental housing, it does not provide clear information about housing need based on household size or even preferences for location.

3.3. Commuters and Low-Wage Workers

In the metropolitan Chicago area, a strong trend toward job suburbanization has been occurring for more than twenty years. For example, more than 787,332 jobs were added between 1975-1995 yet 40% of net growth occurred in DuPage County alone.[87] During this time, there also were shifts in the types of employment -- manufacturing decreased overall and continued to move out of Chicago to the collar counties.

During the current decade, all counties have seen an increase in both jobs created and employment rates. However, Table 3.20 shows how the largest relative growth continues to be in collar counties, with the greatest relative increase in number of new jobs being in the fastest growing counties: McHenry (+31%), Will (26.7%) and Kane (22.0%).

Table 3.20. Employment trends by County 1991-98

	1990	*1991*	*1992*	*1993*	*1994*	*1995*	*1996*	*1997*	*1998*
Cook (1)	2,474,360	2,420,778	2,433,206	2,420,188	2,446,122	2,473,674	2,475,452	2,490,228	2,519,814
Chicago	1,234,730	1,200,463	1,199,665	1,184,427	1,188,497	1,212,096	1,208,507	1,215,720	1,230,164
DuPage	445,533	443,255	451,311	456,470	469,928	482,640	489,836	499,609	505,545
Kane	166,016	165,516	169,395	172,162	177,902	186,826	193,107	200,175	202,553
Lake	266,087	264,928	270,069	273,024	281,567	291,634	299,810	308,129	311,790
McHenry	99,149	100,663	104,522	108,184	113,766	120,183	124,179	128,367	129,892
Will	178,266	177,822	181,871	186,278	194,468	204,946	214,114	223,218	225,870
TOTAL	3,631,401	3,574,953	3,612,366	3,618,299	3,685,747	3,761,898	3,798,494	3,851,723	3,897,462

Source: LMI, Illinois Department of Employment Securities, 1999 (1) Includes City of Chicago

As these trends have continued in the region, a concern has been that there is a growing inverse relationship between where affordable housing is located and where lower income jobs are being added, especially entry level and service sector positions. This pattern of growth -- more commonly known now as "spatial mismatch" -- has been of interest among economists since the early 1970s, and more recently among policy makers, as decentralization of jobs across all occupational categories has become evident.[88] A particular concern has been the loss of entry level jobs in central cities and what effect, if any, expanding opportunities in suburban areas has had on growing rates of poverty and unemployment among non-whites and youths living in cities.

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[87] Michael Schubert. *Housing for a Competitive Workplace:Homeownership Models That Work,* April 1998. Chicago: Metropolitan Planning Council.
[88] For a concise review of the literature, see "The Spatial Mismatch Between Jobs and Residential Locations Within Urban Areas." *Cityscape*. Keith Ihlanfeldt. Vol.1, 1994.

Conversely, there are growing anecdotal reports that suburban employers are finding it difficult to fill jobs requiring low-skilled workers.[89] In the Chicago area, as with many other older industrial regions in the U.S., an underlying and broader set of issues have shaped where employees and jobs locate given the historical patterns of housing segregation by both race and class, as well as the cost and availability of open land, barriers to development, transportation options for different income groups, and other factors differentially affecting socioeconomic status of residents in central cities and surrounding suburbs (e.g., per capita expenses for education). While indicators such as the dissimilarity index[90] suggest that spatial segregation has reduced overall in the last 30 years, maps of the area still show clear evidence that the Chicago region remains a "hypersegregated" area.[91] Similarly, 1990 census data shows a clear geographical mismatch between where people of different income groups could and actually do live when controlling for race in the six county region.[92]

Policy solutions for this mismatch generally fall into three categories: 1) build more affordable housing near lower income jobs; 2) improve and/or expand transit so that potential employees can get to work in a more expedient and cost-efficient manner; and 3) provide incentives and other mechanisms to increase employment opportunities within the communities where persons who are either unemployed or underemployed currently live.[93] While all three approaches are presumed to be important when considering an overall strategy to reduce spatial mismatch, this report focuses specifically on employment as it shapes housing demand in relation to the location of jobs. The latter two are discussed here briefly with regard to assumptions made about employee preferences with regard to commuting to work and decisions to move.

We begin with a review of recent reports concerning mismatch in the Chicago metropolitan area, to clarify what is already known with regard to the spatial mismatch problem, and what particular issues to consider when estimating demand. We look specifically at the concept of mismatch as it gets defined relative to employee preferences and "access" issues for persons currently receiving TANF seeking employment in the region. First, we look at different ways of comparing earnings to the cost in order to illustrate why it is important to looking at housing needs of employees in lower income brackets.

[89] See, for example, Michael Schubert. *Housing for a Competitive Workplace:Homeownership Models That Work,* April 1998. Chicago: Metropolitan Planning Council.

[90] The dissimilarity index is a measure of the degree to which racial composition of Subaru's within the region are integrated or segregated relative to the racial composition of the entire region (e.g. MSA), and is generally a measure of white-black integration or segregation. See the U.S. Census for a complete description and review of the methodology used to calculate this measure.

[91] Hypersegregated refers to the fact that the city ranks very high along several indicators of segregation. See Massy and Denton, *American Apartheid*, 1993, for more discussion of the indicators as they relate to policy issues and the U.S. Census for more detail on the limitations of segregation indexes.

[92] Michael Leachman, Phil Nyden, Bill Peterman, Darnell Coleman. Black, *White and Shades of Brown: Fair Housing and Economic Opportunity in the Chicago Region*. Leadership Council for Metropolitan Open Communities. February 1998.

[93] Keith Ihlanfeldt "The Spatial Mismatch Between Jobs and Residential Locations Within Urban Areas." *Cityscape*. Vol.1, 1994, pp. 219-44.

Earnings-Housing Cost Gap

A key concern driving much of the policy research on spatial mismatch is the assumption that a limited supply of affordable units[94] reduces the competitiveness of the region. From an employer perspective, affordable housing is assumed to draw in employees to areas where they are needed, providing a ready and sufficient pool from which to draw on as jobs are created.

While the report *Housing for a Competitive Workplace: Homeownership Models That Work*[95] focuses on homeownership, it does demonstrate how "unattainable" for sale housing is lacking in fast growing suburbs. Based on typical earnings for one and two person income households, the "attainable" housing price was estimated, which for a two income household earning close to area median income ($49,816) would cost no more than $129,750 based on paying 30% of gross income for a 30 year mortgage with five percent down plus insurance. These estimated housing costs were then compared to average sale prices for homes in several selected suburbs in 1998.[96] When compared to average home prices in Chicago's suburbs, an earnings-cost mismatch was found in all communities for single family detached homes and in several for townhouses.[97]

A similar type of analysis was done in *Out of Reach*[98] using 1999 Fair Market Rent levels and minimum wage to examine cost disparity at the lower end of the employment spectrum.[99] The report focuses on single wage earners, which illustrates the earnings-housing cost mismatch for one-person households and single-parent families nationwide.[100] In the Chicago region, a single wage earner working for minimum wage would have to work 92 hours a week to afford a one-bedroom unit and 110 hours to afford a two-bedroom unit.[101] In other terms, a person would have to be earning at least $11.90 per hour or taking home at least $24,760 annually to afford a one-bedroom unit, and earning at least $14.17 per hour or taking home at least $29,480 to afford a two bedroom unit at or below Fair Market Rent.[102]

When these two studies are examined together, they suggest that: 1) very low-income, single-wage earners without any type of assistance are likely to have difficulty finding affordable housing throughout the region, and 2) higher wage earners may be having difficulty purchasing housing in suburban locations near employment opportunities, and may therefore be staying

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[94] Housing costs per household is no more than 30 percent of total gross income.
[95] Michael Schubert. *Housing for a Competitive Workplace:Homeownership Models That Work,* April 1998. Chicago: Metropolitan Planning Council.
[96] Addison, Arlington Heights, Bolingbrook, Buffalo Grove, Glenview, Gurnee, Hickory Hills, Northfield, Orland Park, Palatine, and Wheaton.
[96] Addison, Arlington Heights, Bolingbrook, Buffalo Grove, Glenview, Gurnee, Hickory Hills, Northfield, Orland Park, Palatine, and Wheaton.
[97] Buffalo Grove, Glenview, Northfield, and Orland Park.
[98] Cushing Dolbeare. *Out of Reach*. National Low Income Housing Coalition. September 1999.
[99] Fair Market Rents (FMRs) are ceiling rent levels for housing the Section rental assistance program and are the 40th percentile of rents for units occupied by recent movers. This considered to include most of the units that are affordable to households with incomes up to 80 percent of the Area Median Income.
[100] *Out of Reach* data is available at http://www.nlihc.org/oor99/index.htm.
[101] This assumes a person works 52 weeks. Assuming that many hourly wage earners do not get paid vacation or sick leave, and may therefore lose time and wages during the year, the number of hours estimated here is assumed to be a minimum.
[102] In 1999, the FMR for a two bedroom unit was $737 and $922 for a three bedroom unit. Exception rents were granted in 15 community areas in Chicago and 8 communities outside Chicago based on higher than average rents.

longer in the rental market, which may in turn prevent some existing rental units from "filtering down" to lower-income households.

Employee Preferences

Estimating this particular type of location-sensitive demand requires careful consideration of the assumptions. Most critical here is the degree to which people *want* to live close to work versus the *need* to live close to work due to transportation restrictions and/or costs. The former suggests that people without transportation constraints will decide on where they want to live relative to the market and the opportunity cost of commuting. This does not mean they will not prefer to live close to work, only that the household may be able to find substitutes in the market that are located further away. The latter assumes that since transportation costs are factored into overall living expenses, there will be a demand for affordable housing near employment opportunities within a reasonable commuting distance via public transportation to accommodate workers who have transportation constraints on them.

We can get some insight into preferences in the Chicago metropolitan region among low and moderate-income employees from two studies. The first was conducted in 1992 for the Northeastern Illinois Planning Commission to look at transportation needs among lower-income employees.[103] The survey focused on places where relatively large growth in employment over the past ten years has taken place, to see how likely employees were to move closer to their jobs if affordable housing became available.[104] Regardless of income, 46 percent were indeed interested in moving closer if housing of the right price and type were available. When income was taken into account, 64% of households earning less than $25,000 and about 54% of households with incomes between $25,000-45,000 would probably move. Ninety percent of the 3,593 respondents were households with two or more persons, and 80% of those households had more than one full-time worker. With regard to housing, 60 percent were homeowners. Regardless of tenure, 21 percent of the survey respondents from lower-income households paid more than 30 percent of their income for housing. Approximately 44 percent of all respondents, lived within ten miles of work and nearly 80 percent lived within 20 miles of work.

A more recent study of potential housing demand among commuters was completed for the Housing Foundation of Will County.[105] As with the NIPC study, the research focused on lower wage workers and their ability to find affordable housing in the Will County area. Sixty percent of the respondents had earnings below $35,000, and of that group, 16% indicated that "they were unhappy with their housing and have considered leaving a job and relocating elsewhere." Eighteen percent of all the workers responding would like to move closer to their jobs. The most commonly cited barrier to doing so was the lack of affordable housing nearby (56 percent). Of

[103] Margaret M. Sachs. *Jobs/Housing Balance: The Extent to Which Workers Would Like to Move Closer to Their Jobs*. May 1992. Northeastern Illinois Planning Commission.
[104] The sample frame included Crystal Lake, Deerfield, Elk Grove Village, Libertyville, Matteson, Mundelein, Naperville, Northbrook, Oakbrook, Oak Lawn, Saint Charles, Schaumburg and University Park. Approximately 19,500 questionnaires were distributed in all sectors through employees and was aimed at full-time lower income employees (maximum annual earnings of $25,000).
[105] *A Preliminary Investigation into Area Employee Perceptions and Satisfaction with Local Housing Affordability, Job Commute Time and Related Issues*. Housing Foundation of Will County. 1997. The self-administered questionnaire was mailed to 7,493 employees, with 1,842 (25 percent) returned and completed.

all the respondents, 71 percent had a commute that was no more than twenty minutes and nearly all used their own car.

Less is known about the preferences of families currently unemployed and/or receiving Temporary Assistance for Needy Families (TANF) that are expected to enter the workforce in the coming years. What we do know, however, is that most employment opportunities for this segment of the population can be found in suburban Cook County and the surrounding collar counties. A recent study by the UIC Urban Transportation Center,[106] found that most of the entry-level jobs[107] in 1998 were found in suburban Cook County and the outlying collar counties (Table 3.21). When compared the number of TANF recipients in each county during the same time period, it becomes apparent that not only is there a spatial mismatch, there also was a deficit in the overall number of entry level jobs relative to the potential employees.

Table 3.21. Entry Level Jobs and TANF Recipients by location, 1997

Location	Entry Level Employment (Jobs)	Number of Entry Level Openings	Percent of Entry Level Openings	Number of TANF Recipients	Surplus (+) or Deficit (-) in Openings
COOK COUNTY (1)	1,176,006	37,359	65.4%	103,100	- 65,741
DUPAGE COUNTY	128,583	8,802	15.4%	1,561	+ 7,241
KANE COUNTY	70,047	2,710	4.7%	1,779	+931
LAKE COUNTY	89,109	4,283	7.5%	2,119	2,164
MCHENRY COUNTY	34,638	1,836	3.2%	204	+1,632
WILL COUNTY	84,915	2,143	3.8%	2,417	- 274
TOTAL	1,583,298	57,133	100.0%	111,180 (1)	- 54,047

Source: Urban Transportation Center, UIC, 1999.

(1) 20,219 openings were in suburban Cook; 9,672 were in Chicago outside the Central Business District; 7,468 were in the CBD

(2) Excludes 3,320 cases that could not be placed.

The next section focuses on issues of access to employment opportunities for lower-wage workers and particularly TANF families trying to transition into employment, to examine briefly the underlying assumptions about the "value" of living close to employment opportunities. A key assumption is that living close to work can produce cost savings in terms of time and transportation costs. We focus here on TANF recipients since this population is likely to have the greatest commute times and costs associated with travel based on current housing location (most within City of Chicago) and where most jobs are located in the region. However, the same concerns apply across all lower-wage workers.

106 *Implications of the Welfare Reform Law on Suburban Chicago Transit Demand.* Pyiushimita Thakuriah, Ashish Sen, Siim Soot, Paul Metaxatos, George Yanos, Lise Dirks, Duck-hye Yang, Trisha Sternberg. April 16, 1999. Chicago: University of Illinois at Chicago Urban Transportation Center.

107 The term "entry level" refers to a range of occupations, which do not require extensive training, education or abilities beyond basic mathmatecial, reasoning and language skills. Wages are assumed to above the minimum wage and vary with the employment sector and employer demand. A more detailed explanation of how the UTC study derived the total number of jobs and then the number of openings by county can be found in Appendix B of the UTC report.

Access to Employment

The Urban Transportation Center study completed for Pace (Suburban Bus Division of the Regional Transportation Authority) looks more closely at the transportation needs of public assistance clients presently in respect to entry level job openings. The study was intended to help Pace alleviate transportation related access-to-jobs problems among TANF clients. Several key transportation related issues affecting this population suggest that having housing opportunities closer to work opportunities would benefit TANF recipients.

First, travel time between major employment centers and a selected location where many TANF recipients live adds both time and cost. Table 3.22 illustrates this point by showing travel times from selected community areas in the City of Chicago along different transportation corridors to jobs in surrounding suburbs. Considering that approximately three-fourths of TANF adults in 1998 used public transportation, many that do locate a job will most likely spend a significant portion of time going to and from work. While this is not necessarily a unique issue for TANF recipients -- all commuters using similar modes of transit in these corridors have the same time/cost constraints -- it can be more expensive if wages are different. In other words, time not working has a price in terms of lost wages and other costs such as childcare.

Table 3.22. Estimated travel times in minutes by auto and public transit along selected corridors from Chicago community areas, 1998

	AUSTIN		*W. ENGLEWOOD*		*ROSELAND*		*GRAND BLVD*	
Destination:	auto	transit	auto	transit	auto	transit	auto	transit
Schaumburg	55.8	91.1	87.2	126.4	122.9	141.7	86.8	132.2
O'Hare	47.0	90.5	82.3	106.3	118.0	141.9	81.9	116.7
Oak Lawn	49.3	58.8	26.7	37.0	24.4	30.1	34.8	44.9
1-88	45.2	480.0	65.5	480.0	97.7	480.0	64.6	480.0
Oak Brook	37.3	91.3	65.4	104.8	90.0	104.9	64.6	109.3
Buffalo Grove	75.4	153.4	108.0	156.6	140.9	171.9	99.3	162.3

Source: Urban Transpiration Center, University of Illinois at Chicago

Second, even if a household had a car, the cost of transportation is relatively more expensive based on fixed and variable costs associated with owning an automobile. Depending on wages and trip time, any savings in time may not offset the expenditure. However, owning a car might have a potentially different yet beneficial effect on TANF recipients, considering that it is generally highly correlated with full-time employment.[108] It also gives employees greater flexibility, which can expand employment opportunities to include jobs that are further away from home and/or that are likely to have shifts that do not always correspond with peak transit schedules.

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[108] *Implications of the Welfare Reform Law on Suburban Chicago Transit Demand.* Pyiushimita Thakuriah, Ashish Sen, Siim Soot, Paul Metaxatos, George Yanos, Lise Dirks, Duck-hye Yang, Trisha Sternberg. April 16, 1999. Chicago: University of Illinois at Chicago Urban Transportation Center, p.31.

Estimating Need for Affordable Rental Housing for Low-Income Workers

A comparison of the number of jobs to the estimated number of affordable units in each location is a straightforward and commonly used method to gauge if there is a potential shortage of housing in a bounded area, such as county.[109] While this does not provide an exact match of units needed to fill unmet demand, Figure 3.23 compares by county the estimated number of entry level jobs based on 1997 figures to the total number of rental units in 1999. A ratio of jobs to rental units is calculated to show where there is more or less than the regional average of jobs compared to rental units. Based on these rates, only Chicago is below the average of approximately 1.5 jobs to every rental unit, with McHenry County slightly above the average at 1.52. In contrast, suburban Cook and Will County have rates of approximately 2.6 jobs to every rental unit.[110] Assuming that approximately 40 percent of the units are within the Fair Market Rent range, the number of "affordable" units decreases and the ratio of entry level jobs to rental units increases.[111] While there is no guide as to a suitable ratio of jobs to rental units, this table illustrates the clear disparity between where jobs are located and where affordable rental housing is likely available, and the extent to which current and future employees are likely to find it difficult to locate affordable rental housing near employment opportunities.

Table 3.23. Comparison of entry level jobs to rental units by county, 1998

	Estimated number of entry level jobs (1)	Estimated number of rental units (2)	Ratio of entry level jobs to rental units	Estimated number of "affordable" rental units (3)	Ratio of entry level jobs to "affordable" units
City of Chicago	541,000	602,000	0.90	240,800	2.25
Suburban Cook	635,000	238,600	2.66	95,400	6.66
DuPage	129,000	80,500	1.60	32,200	4.01
Kane	70,000	37,500	1.87	15,000	4.67
Lake	89,000	52,800	1.69	21,100	4.22
McHenry	35,000	23,100	1.52	9,200	3.80
Will	85,000	32,100	2.65	12,800	6.64
Total	1,584,000	1,066,800	1.49	426,500	3.71

(1) From Table 3.21. The estimate of Chicago and suburban Cook County entry level jobs is based on the proportion of *available* entry level jobs in 1997 for each.
(2) From *For Rent: Housing options in the Chicago Region*. UIC, 1999.
(3) Based on a straight calculation (i.e., 40% of total entry level jobs), and does not differentiate by bedroom size.

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[109] See, for example, *DuPage County Jobs/Housing Study*, DuPage County Regional Planning Commission. 1991.
[110] Based on maps produced by the Urban Transportation Center, the majority of jobs are in the north and northwestern part of Cook County.
[111] Fair Market Rents (FMRs) are ceiling rent levels for housing the Section rental assistance program and are the 40th percentile of rents for units occupied by recent movers. In 1999, the FMR for a two bedroom unit was $737 and $922 for a three bedroom unit. Exception rents were granted in 15 community areas in Chicago and 8 communities outside Chicago based on higher than average rents.

A key assumption of the research is that lower-wage employees will benefit from proximity to employment opportunities. While the previously cited studies suggest that some households would move if the housing opportunity existed, there is relatively little evidence to confirm what percentage of this group actually would move. A critical question is: will people actually move to be closer to work if they had housing available in their price range? While very little is known about where TANF recipients who have left the roles are working relative to where they live, we can get a general sense of moving behavior among very low-income households in the Chicago metropolitan area from the American Housing Survey, and then compare this specific income group to the general population.

Overall, more than one-third of all households living in rental housing had moved in the previous year.[112] Of the 301,400 renter households, 10 percent moved because of a new job or being transferred. Another 11 percent moved to be closer to work, school or some other site. A relatively smaller portion of the 59,400 households with income below poverty indicated that they moved for either of these reasons (5.2%). When asked about the choice of neighborhood, one-fourth of all households (75,600) indicated that being "convenient to job" affected their choice. Only 14 percent of households below poverty (8,500) gave the same response, and even fewer (6,400) indicated that their choice of neighborhood was due to being "convenient to public transportation."

While these findings cannot be used to generalize about all lower-wage workers, they do suggest that variables beyond transportation time and cost need to be factored into an estimate of demand. This may include a preference for the current housing unit and/or neighborhood, which would then not necessarily make it possible to consider another location closer to employment a complete substitute, especially when factoring in costs due to moving.

What we consider here, then, is that movement might occur if the new neighborhood and home are viewed as being at least "equivalent to" -- if not an improvement over -- an employee's housing situation. Considering that most entry level jobs are located in suburban Cook and surrounding counties while renters and rental housing is located in the City of Chicago, we assume that decisions to move will be based on the cost of moving and the new unit's rent being substantially offset by the cost savings associated with reduced commuting times. Under these conditions, we might also assume that households will be more likely to want to move if they have to travel a long time and/or distance since it could result in saving time and/or money.

[112] *American Housing Survey for the Chicago Metropolitan Area in 1995*, Table 4-11.

4. ESTIMATING FUTURE DEMAND FOR AFFORDABLE RENTAL HOUSING AMONG SPECIFIC GROUPS AFFECTED BY POLICY CHANGE IN THE CHICAGO REGION

This section focuses on specific policy changes shaping future housing demand, to develop a profile of the households whose housing status might change in the next five to ten years. We focus on tenants in Section 8 project based developments with expiring contracts, households waiting for Section 8 tenant-based vouchers, public housing residents that are likely to be relocated, and TANF families who are currently not in subsidized housing. While we cannot fully anticipate how shifts in policy are likely to play out, we can review what is known about these renters in order to determine what factors, if any, might be exacerbated with change. We begin with a brief history and evolution of the Section 8 program to help situate several inter-related policy changes affecting this program.

4.1. Section 8

The Section 8 housing program was created in 1974 as part of the Housing and Community Development Act of 1974, although some of its origins can be seen in Section 23 of the Housing and Urban Development Act of 1965. Section 23 provided for public housing authorities (PHAs) to lease private-sector apartments and sublease them to low-income families at a lower rent. The Housing and Community Development Act of 1974 created the Community Development Block Grant Program and the Section 8 New Construction and Substantial Rehabilitation program, as well as the Section 8 Existing Housing Rent Subsidy program. This last program provided housing *certificates* to eligible families that would pay the difference between 25 percent of the recipients' monthly income and the monthly rental cost of their apartment, up to the HUD Fair Market Rent (FMR). In 1981 Congress increased this percentage to 30 percent.

Congress further amended the Section 8 program in 1983, creating *vouchers*, which are a form of tenant-based subsidies. The difference between rental certificates and rental vouchers is that with vouchers, tenants may rent apartments for more than a payment standard, which is set by the housing authority (HA), but must pay the difference themselves. The payment standard may be no higher than the FMR. If the unit rent is greater than the payment standard, then the voucher holder must pay more than 30 percent of its adjusted monthly gross income for rent and utilities, but if the unit rent is less than the payment standard, the holder pays less than 30 percent. Under the certificate program, the rent for the unit may not exceed a maximum rent set by the HA. HUD's description of what a family pays under the two programs follows:

> *Certificates*: A family generally pays either 30 percent of its monthly adjusted gross income, 10 percent of its monthly gross income, or its welfare rent payment toward rent, whichever is greater. The family's share of the rent is calculated by the HA, but the family pays that amount to the landlord. In turn, the HA pays the remainder of the rent directly to the landlord.
>
> *Vouchers:* A family may choose a unit which rents for more than the payment standard and may pay more or less than 30 percent of its monthly adjusted gross income for rent. The HA calculates the maximum amount of rental assistance allowable, which is the

> difference between the payment's standard and 30% of the family's monthly adjusted gross income, and pays rental assistance. The amount of rental assistance paid by the HA changes with the payment standard while the amount the tenant pays varies with the actual rent.[113]

Under the original Housing and Community Development Act of 1974, households eligible for Section 8 certificates were those at or below 80 percent of the median income for their area, adjusted for family size; additionally, HUD required that at least 30 percent of the assisted families be very low-income families, and that waiting lists of eligible families be developed by the PHAs. The Act was amended in 1981, and limited low-income families other than very low-income families to 5 percent of new admissions to the program.[114] This percentage was expanded to 10 percent in 1990. Congress also established three federal preferences for Section 8 housing; in 1979 for families occupying substandard housing (including homeless families) and for those involuntarily displaced**,** and in 1983 for those whose rent/income burden exceeded 50 percent. All federal preferences were suspended in 1996. These preferences were subsequently suspended annually since 1996, although many HAs continued using admissions policies that incorporated the federal preferences.

The Quality Housing and Work Responsibility Act of 1998 (QHWRA) was signed into law October 21, 1998.[115] According to HUD, "QHWRA is landmark legislation which will make public housing reform a reality."[116] QHWRA substantially changed the rules concerning who receives federally-subsidized housing resources. The Act provides for devolution of control over federal low-income housing programs to approximately 3,400 PHAs. State and local PHAs are given substantial discretion in deciding who receives federal housing subsidies. Several provisions of the Act affect Section 8 and public housing residents:

First, QHWRA permanently repeals the federal preference rules, which were based on housing need, and instead enacts eligibility and targeting rules based on income. Targeting applies only to new admissions to the Section 8 program and not to families currently receiving Section 8 assistance. Under QHWRA, at least 75 percent of newly available tenant-based Section 8 vouchers at a PHA must be used by households with incomes at or below 30 percent of area median ("extremely low income" or ELI). The balance may be used by households with incomes up to 80 percent of area median income. Along with this income targeting requirement, 40 percent of public housing units are reserved for households with incomes at or below 30 percent of area median. Under a fungibility provision, a PHA will be able to reduce targeting requirements in its public housing programs by offsetting increases in Section 8 targeting, within certain limits.

Second, QHWRA merges the Certificates and Vouchers programs of the Section 8 tenant-based rental assistance programs into a single program known as the "Housing Choice Voucher" program. Section 502 of QWHRA states that a purpose of consolidating the two types of tenant-

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[113]HUD. *Section 8 Program Fact Sheet*. Located at http://www.hud.gov/section8.html.
[114]Citizens Housing & Planning Council. *Paying the Rent: An Evaluation of the Section 8 Existing Housing Program in New York City*. October 1997. Chapter II: the Tenants, p. 2. Located at http://www.housingnyc.com/CHPC.
[115]Title V of Pub. L. 105-276, 112 Stat. 2518. QHWRA amends the United States Housing Act of 1937, Pub. L. 93-383, 88 Stat. 653 (codified at 42 U.S.C. 1437 *et seq*).
[116]HUD. *Public Housing Reform Act*. Located at http://www.hud.gov:80/pih/legis.

based assistance into a single "market-driven program" is to assist in making tenant-based rental assistance "more successful at helping low-income families obtain affordable housing and will increase housing choice for low-income families." Under this new program, families can pay more than 30 percent of their income for rent; however, new families and families that move cannot pay more than 40 percent. PHAs are permitted to establish a set of local preferences based on local housing needs and priorities.

Third, QHWRA prohibits concentration of the relatively lowest income families in certain projects, and requires PHAs to develop and utilize an admissions policy designed to encourage income-mixing of residents. According to HUD, QHWRA will cause a “deconcentration of poverty in public housing.”[117]

Current Section 8 Waiting Lists

Fourteen public housing authorities and three other agencies administer Section 8 tenant-based assistance in the Chicago region. In most cases each has a list of families waiting for a voucher or certificate to become available, either through a return or new allocation. While these lists indicate a certain level of affordable housing demand, the numbers must be used carefully so as not to overestimate the amount of housing actually needed. Similarly, we do not to want to understate the role this program plays in providing housing options to the region.

Tables 4.1 and 4.2 provide an overview of the larger waiting lists in the region[118]. Clearly, the circumstances vary with each housing authority, making it difficult to make anything but very general statements about how Section 8 works in the region as a whole. Below are some key themes that shape how people will move through the different lists in the near future.

- Currently, there are approximately 60,000 households on waiting lists for Section 8 vouchers. About two-thirds of the names on these lists were added in the past three years. While most are from CHAC's waiting list registration in June 1997,[119] Cook County and Aurora both added substantial numbers to their lists when they opened up in 1998 and 1999.
- Most applicants are female, and with the exception of Lake County, most are Black. Many applicants have income from wages or from TANF.
- Only one agency, Lake County Housing Authority, has an open list at this time, and more than half its applicants are from outside of the county.
- On average, about 3,500 certificates and vouchers turn over in a year in the region. While waiting time varies with each housing authority, most applicants can expect to wait at least a year before getting notified of a voucher becoming available and they can begin the process of determining eligibility.
- The average length of time a voucher is used varies with each tenant and with each housing authority. Of those agencies providing a specific length of time, Aurora's tenants average ten

[117]HUD. *Public Housing Reform Act.* Located at http://www.hud.gov:80/pih/legis.
[118] All housing authorities were contacted by telephone and sent a questionnaire via FAX or mail. Several attempts were made to get information from those not responding.
[119] CHAC is a private agency that manages the Section 8 program for the Chicago Housing Authority.

or more years; Cook County's tenants average 8 years; and Lake County's tenants average 7 years.

- Most of the housing authorities had given extensions in the past, with Joliet extending 85% of voucher holders' search time. Joliet also had very low rates of return (1%) and disqualified applicants (1%).

Table 4.1. Availability of Section 8 Vouchers/Certificates by PHA

	AURORA	*CHAC (1)*	*COOK COUNTY*	*DUPAGE COUNTY*	*JOLIET*	*LAKE COUNTY*	*PARK FOREST*
TOTAL VOUCHERS & CERTIFICATES AS OF 6/99	711	25,000	10,642	1,950	828	2,084	96
PERCENT OF TOTAL IN REGION	1.8%	63.5%	27.0%	5.0%	2.1%	5.3%	0.2%
TOTAL HOUSEHOLDS ON THE LIST AS OF 6/99	200	31,000	20,000	3,000	221	2,792	36
AVERAGE WAITING TIME	1 YEAR	VARIES	2 YEARS	NA	"LONG"	2-24 MONTHS	NA
STATUS OF WAITING LIST	CLOSED	CLOSED	CLOSED	CLOSED	CLOSED	OPEN	CLOSED
LAST TIME LIST WAS OPEN	8/98	7/97	6/99	NA	5/95	--	NA
HOUSEHOLDS ADDED LAST TIME LIST WAS OPEN	5,000	35,000	10,000 - 15,000	NA	800	--	NA
PERCENT DISQUALIFIED	50%	VARIES	5%	NA	1%	5%	NA
PERCENT THAT RENT IN PLACE	NA	NA	25%	NA	NA	5%	NA
PERCENT OF HOUSEHOLDS GETTING AN EXTENSION	20%	100%	NA	NA	85%	50%	NA
PERCENT RETURNED	17%	VARIES	25%	NA	1%	10%	NA
AVERAGE LENGTH OF USE	10+ YEARS	NA	8 YEARS	NA	VARIES	7 YEARS	NA
ANNUAL NET NEW VOUCHERS	100	VARIES	1,440	NA	NA	350	NA

Table 4.2. Profile of Households on Section 8 Waiting List

	AURORA	CHAC (1)	COOK COUNTY	DUPAGE COUNTY	JOLIET	LAKE COUNTY	PARK FOREST
TOTAL HOUSEHOLDS	200	35,000	20,000	1,950	221	2,792	36
PERCENT OF TOTAL REGION	0.3%	58.1%	33.2%	3.2%	0.4%	4.6%	0.1%
LOCATION OF APPLICANT RELATIVE TO HA JURISDICTION							
Inside	162 (81%)	32,219 (92%)	NA	NA	210 (95%)	1,021 (37%)	NA
Outside	38 (19%)	2,781 (8%)	NA	NA	11 (5%)	1,771 (63%)	NA
HOUSEHOLDER SEX							
Female	193 (97%)	18,232 (55%)	NA	NA	216 (98%)	NA	NA
Male	25 (3%)	15,687 (45%)	NA	NA	5 (2%)	NA	NA
HOUSEHOLD HAS MEMBER WHO IS DISABLED							
Yes	19 (10%)	9,212 (26%)	NA	NA	30 (14%)	747 (27%)	NA
No	181 (90%)	25,788 (74%)	NA	NA	191 (86%)	2,045 (73%)	NA
RACE OF REGISTRANT							
White	75 (37%)	1,620 (5%)	NA	NA	22 (10%)	1,517 (54%)	NA
Black	125 (63%)	31,606 (90%)	NA	NA	189 (90%)	1,240 (44%)	NA
American Indian	0	157 (0.4%)	NA	NA	0	16 (1%)	NA
Asian/Pacific Islander	0	119 (0.3%)	NA	NA	0	20 (1%)	NA
Unknown	0	1,498 (4%)	NA	NA	0	0	NA
ETHNIC ORIGIN							
Hispanic	38 (19%)	178 (1%)	NA	NA	5 (2%)	246 (9%)	NA
Non-Hispanic	142 (81%)	3,730 (11%)	NA	NA	216 (98%)	2,546 (81%)	NA
Unknown	0	31,092 (88%)	NA	NA	0	0	NA
SOURCES OF INCOME (2)							
Wages	67 (46%)	15,745 (45%)	NA	NA	101 (46%)	NA	NA
Social Security	23 (16%)	9,282 (27%)	NA	NA	59 (27%)	NA	NA
TANF	32 (22%)	15,619 (45%)	NA	NA	61 (28%)	NA	NA
Other	21 (15%)	0	NA	NA	22 (10%)	NA	NA

(1) Data as of Spring 1997. Approximately 31,000 households were on the general waiting list as of Spring 1999.

(2) Household may have more than one source of income, so total does not equal 100%.

More than half of the households in the entire region are on a single list maintained by CHAC. CHAC is currently responsible for fulfilling the requirements of a consent decree between the CHA and Latinos United, which sued on behalf of Latinos in Chicago who had been systematically denied access to public housing in the past. The settlement brought 15,000 vouchers for the purpose of housing eligible Latinos. Currently, this means an even longer wait for the non-Latinos applicants on the general list since CHAC is required to focus on getting eligible Latinos into housing. Currently, only this group and public housing relocatees are getting vouchers.

Table 4.3. Latino Consent Decree waiting list turnover

NUMBER CHAC CONTACTS PER MONTH	***NUMBER***	***PERCENT CONTINUING***
Start with	530	
Respond / come in to CHAC	260	49%
Household came in & determined eligible	244	94%
Households that come in and get briefed	232	95%
Households briefed that submit lease application	174	75%
Households that submit lease application and get approved	162	70%

Source: CHAC, Spring, 1999

Being on a list does not assure a household that it is eligible or guaranteed a voucher, just that they will get notification when their name comes up. The process of "working through the list" and having successful placement of Section 8 voucher holders takes many steps, with each one potentially reducing the pool of successful placements. Moving from the waiting list to getting a lease is described below, showing how a monthly draw of Latino applicants go through the process. As the table illustrates, a large number drop out at the beginning because they do not respond to the notice or fail to come in for their briefing. Another point where there has been difficulty for voucher holders in Chicago is in actually finding and securing a unit in the time frame allotted, so that now everyone is granted an automatic 120 days. At this time, the Latino success rate -- actually submitting a lease and getting it approved -- is relatively low (70%) when compared to tenant moves (99%) and CHA relocatees (99%). Since each represents different circumstances, the comparison might not be appropriate; however, the differing success rates do raise an overarching concern for residents being relocated, which is what can be done to assure that all tenants will successfully locate a unit that will not require them to move in the near future.

4.2. Public Housing Consolidation

Before QHWRA, the primary factor shaping the future of public housing in Chicago was Section 202 of the 1996 Omnibus Consolidated Reconciliation Act (OCRA), which required all Public Housing Authorities (PHAs) to assess the "viability" of any property with 300 or more units and a vacancy rate over 10%. As a result of this assessment, "non-viable" developments -- sites where it would cost more to rehabilitate than it would to demolish and provide residents with vouchers to go into the private sector -- were to be removed from the permanent inventory within five years. In 1998, Congress extended this law to include any development with 250 or more units that fails the viability test, and requiring all PHAs to conduct a conversion assessment of every project. Based on this assessment, a PHA can convert a project if "conversion will not be more expensive than continued operation of the project, conversion will benefit residents and the community; and conversion will not adversely affect the availability of affordable housing in the community".[120]

Under the original viability test most of the high-rises failed and an estimated 11,000 households were expected to be relocated using Section 8 vouchers.[121] A key concern at the time was with the ability of the housing market to absorb that many new renters, and to what extent relocatees would be able to move into better conditions. While both issues are interrelated, the latter point is important given historical evidence of Section 8 households concentrating in neighborhoods in the city that had high rates of poverty and unemployment and poorer quality housing.[122] To date, over 1,000 vacancy consolidation families using Section 8 subsidies have moved, and based on an analysis of where people have moved,[123] most have moved to highly segregated areas with high levels of poverty, not unlike the neighborhoods from which they had moved. While efforts are being made to improve counseling and help residents make better moves, a concern is that many of the residents in CHA housing still will have difficulty finding housing in the market.

The following tables profile tenants using vouchers in the market (4.4 - 4.7) and CHA tenants in buildings slated for demolition at one time (4.8 - 4.12). These are both from the same time period, and while dated,[124] the set helps to illustrate what both types of residents have and do not have in common. Beyond comparisons, this data is presented for the purpose of looking at CHA residents more closely to consider what will affect their demand for housing if they do relocate.

Generally, Section 8 tenants have higher income levels, are more likely to be employed or earning wages, are paying higher rents, and are younger and less frail when compared to CHA residents. What is striking about CHA residents is the large number of older residents, mostly women, who are very likely to also be disabled. Also, there are a large number of families living in three bedroom of larger units that would need accommodation (i.e., a large enough units).

While these differences are important, several things in common should be noted. The first is that even if Section 8 tenants do have higher income levels than CHA, both are still extremely low-income (average income for Section 8 tenants was $11,000) and paying rents well below the market or even Fair Market Rent (usually less than $300). Each also has about the same percentage of single parent, female headed household.

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[120] Federal Register, July 23, 1999.
[121] Based on buildings and occupancy as of May 1998. The proposed *Chicago Housing Authority Plan for Transformation* submitted during the Fall of 1999 determined that in addition to the existing redevelopment commitments, all remaining "gallery high-rise" family developments should be demolished and that an estimated 6,000 households are likely to "permanently" relocate in the private sector in the next five years.
[122] Nathalie P. Voorhees Center. 1997. *Cabrini Green and the Plan to Voucher Out Public Housing.*
[123] Fishcer, Paul. 1999. *Section 8 and the Public Housing Revolution: Where will the families go?*
[124] This is the latest data from HUD's *Picture of Subsidized Households* database. While more current data is available through the Multifamily Tenants Characteristics System, it does not allow getting building level data to pull out the specific buildings needed.

Table 4.4. Section 8 Tenant-based assistance by agency, 1998

AGENCY	*NUMBER OF UNITS*	*PERCENT OF TENANTS IN PROGRAM LESS THAN 1 YEAR*	*AVERAGE HOUSEHOLD SIZE*	*AVERAGE GROSS MONTHLY RENT*	*AVERAGE FEDERAL EXPENDITURE PER UNIT*
CHICAGO HOUSING AUTHORITY (1)	16,281	20%	2.8	$204	$560
JOLIET HOUSING AUTHORITY	401	8%	3.2	$191	$510
COOK COUNTY HOUSING AUTHORITY	7,349	0%	2.7	$196	$570
WAUKEGAN HOUSING AUTHORITY	284	19%	3.3	$269	$575
MAYWOOD HOUSING AUTHORITY	275	7%	3.3	$255	$582
LAKE COUNTY HOUSING AUTHORITY	1,640	16%	2.8	$267	$558
DEKALB COUNTY HOUSING AUTHORITY	240	16%	2.7	$249	$429
AURORA HOUSING AUTHORITY	442	8%	3.3	$267	$531
ELGIN HOUSING AUTHORITY	571	18%	3.3	$335	$545
DUPAGE COUNTY HOUSING AUTHORITY	1,144	10%	2.9	$256	$560
OAK PARK HOUSING AUTHORITY	240	8%	2.3	$261	$507
NORTH CHICAGO HOUSING AUTHORITY	383	10%	3.2	$274	$545
MCHENRY COUNTY HOUSING AUTHORITY	749	10%	2.3	$264	$497
CICERO HOUSING AUTHORITY	140	17%	2.6	$186	$436
PARK FOREST HOUSING AUTHORITY	50	34%	3.8	$248	$611
LEADERSHIP COUNCIL	501	3%	3.7	$239	$651
TOTAL / AVERAGE	**30,690**	**13%**	**3.0**	**$248**	**$542**

Source: HUD Picture of Subsidized Households, 1998
(1) This number is consistently low in all HUD reporting systems. There are approximately 25,000 certificate and vouchers administered through the CHAC for the CHA.

Table 4.5. Income: Section 8 tenant-based assistance by agency, 1998

AGENCY	AVERAGE INCOME	PERCENT OF HHLDS WITH INCOME BELOW $5000	PERCENT OF HHLDS WITH INCOME ABOVE $20,000	PERCENT HHLDS WITH MAJORITY OFINCOME FROM WAGES	PERCENT HHLDS WITH MAJORITY OF INCOME FROM WELFARE
CHICAGO HOUSING AUTHORITY	$9,500	18%	7%	25%	20%
JOLIET HOUSING AUTHORITY	$9,400	23%	4%	42%	20%
COOK COUNTY HOUSING AUTHORITY	$9,600	20%	6%	29%	20%
WAUKEGAN HOUSING AUTHORITY	$12,000	20%	16%	47%	20%
MAYWOOD HOUSING AUTHORITY	$11,000	17%	15%	35%	19%
LAKE COUNTY HOUSING AUTHORITY	$11,000	17%	12%	45%	17%
AURORA HOUSING AUTHORITY	$12,000	18%	14%	48%	18%
ELGIN HOUSING AUTHORITY	$11,000	17%	10%	48%	16%
DUPAGE COUNTY HOUSING AUTHORITY	$11,000	19%	12%	38%	18%
OAK PARK HOUSING AUTHORITY	$12,000	10%	13%	40%	9%
NORTH CHICAGO HOUSING AUTHORITY	$12,000	15%	16%	44%	19%
MCHENRY COUNTY HOUSING AUTHORITY	$12,000	7%	11%	40%	5%
CICERO HOUSING AUTHORITY	$9,000	18%	5%	23%	21%
PARK FOREST HOUSING AUTHORITY	$11,000	22%	12%	42%	26%
LEADERSHIP COUNCIL	$11,000	27%	10%	46%	26%
AVERAGE	**$10,906**	**18%**	**11%**	**40%**	**18%**

Source: HUD Picture of Subsidized Households, 1998

Table 4.6. Householder age and disability status: Section 8 tenant-based assistance, 1998

AGENCY	*PERCENT OF HOUSEHOLDERS UNDER 25 YEARS*	*PERCENT OF HOUSEHOLDERS AGE 62 YEARS OR OLDER*	*PERCENT OF HOUSEHOLDERS LESS THAN 62 YEARS WHO ARE DISABLED*	*PERCENT OF HOUSEHOLDERS AGE 62 YEARS OR OLDER WHO ARE DISABLED*
CHICAGO HOUSING AUTHORITY	4%	17%	35%	64%
JOLIET HOUSING AUTHORITY	8%	8%	18%	25%
COOK COUNTY HOUSING AUTHORITY	3%	20%	28%	75%
WAUKEGAN HOUSING AUTHORITY	4%	5%	14%	71%
MAYWOOD HOUSING AUTHORITY	3%	11%	24%	80%
LAKE COUNTY HOUSING AUTHORITY	10%	8%	24%	53%
AURORA HOUSING AUTHORITY	7%	5%	16%	29%
ELGIN HOUSING AUTHORITY	9%	6%	14%	42%
DUPAGE COUNTY HOUSING AUTHORITY	4%	12%	22%	25%
OAK PARK HOUSING AUTHORITY	2%	16%	36%	29%
NORTH CHICAGO HOUSING AUTHORITY	10%	8%	24%	93%
MCHENRY COUNTY HOUSING AUTHORITY	6%	22%	34%	24%
CICERO HOUSING AUTHORITY	6%	24%	34%	53%
PARK FOREST HOUSING AUTHORITY	6%	12%	9%	NA
LEADERSHIP COUNCIL	6%	3%	7%	NA
AVERAGE	**7%**	**12%**	**23%**	**48%**

Source: HUD Picture of Subsidized Households, 1998

Table 4.7. Selected householder characteristics: Section 8 tenant-based assistance, 1998

AGENCY	PERCENT BLACK	PERCENT HISPANIC	PERCENT SINGLE PARENT HOUSEHOLD	PERCENT FEMALE HEAD WITH OR WITHOUT KIDS
CHICAGO HOUSING AUTHORITY	94%	2%	55%	87%
JOLIET HOUSING AUTHORITY	87%	2%	75%	96%
COOK COUNTY HOUSING AUTHORITY	75%	2%	59%	88%
WAUKEGAN HOUSING AUTHORITY	81%	9%	75%	94%
MAYWOOD HOUSING AUTHORITY	99%	0%	70%	91%
LAKE COUNTY HOUSING AUTHORITY	35%	5%	67%	88%
AURORA HOUSING AUTHORITY	64%	12%	79%	94%
ELGIN HOUSING AUTHORITY	56%	16%	74%	93%
DUPAGE COUNTY HOUSING AUTHORITY	52%	2%	65%	89%
OAK PARK HOUSING AUTHORITY	71%	3%	52%	87%
NORTH CHICAGO HOUSING AUTHORITY	90%	8%	67%	82%
MCHENRY COUNTY HOUSING AUTHORITY	2%	4%	46%	83%
CICERO HOUSING AUTHORITY	2%	24%	48%	86%
PARK FOREST HOUSING AUTHORITY	88%	4%	80%	96%
LEADERSHIP COUNCIL	99%	0%	83%	93%
AVERAGE	**64%**	**6%**	**66%**	**89%**

Source: HUD Picture of Subsidized Households, 199

Table 4.8. Unit Counts and Occupancy levels of CHA Properties affected by 202 Legislation, 1998

NAME	NUMBER OF UNITS	OCCUPANCY RATE	NUMBER OF OCCUPIED UNITS (1)	PERCENT REPORTED (2)
1 Ida B Wells Home	1,662	60%	997	80%
Ida B. Wells Extension	650	60%	390	87%
total	2,312	60%	1,387	82%
2 Frances Cabrini	586	84%	492	86%
Cabrini Extension	1,523	50%	762	83%
William Green Homes	1,102	65%	716	76%
total	3,211	64%	1,970	81%
3 Dearborn Homes	800	85%	680	95%
4 Jane Addams	991	60%	595	40%
Robert H Brooks	306	98%	300	39%
Robert H Brooks	834	54%	450	39%
Grace Abbott Homes	1,218	54%	658	46%
Total	3,349	62%	2,003	42%
5 Stateway Gardens	1,644	69%	1,134	52%
6 Washington Park	1,559	57%	889	41%
7 Henry Horner Homes	920	63%	580	86%
Henry Horner Extension	279	27%	75	38%
Total	1,199	59%	655	80%
8 Robert Taylor Homes	4,261	83%	3,537	19%
9 Rockwell 2515 W Jackson	140	68%	95	72%
Rockwell2450 W Monroe	140	57%	80	42%
Rockwell 2517 W Adams	855	41%	351	57%
Total	1,135	48%	526	57%
GRAND TOTAL	19,470	66%	12,780	61%

Source: HUD Picture of Subsidized Households, 1998

(1) Occupied units = number of households

(2) Percentage of units/households for which data was actually reported to HUD.

Table 4.9. Household Size, Time in Units, and Average Monthly Rent: CHA Properties affected by 202 Legislation, 1998

NAME	PERCENT IN PROGRAM LESS THAN 1 YEAR	AVERAGE HOUSEHOLD SIZE	AVERAGE MONTHLY RENT	AVERAGE FEDERAL EXPENDITURE PER UNIT
1 Ida B Wells Home	2%	2.5	$ 158	$ 762
Ida B. Wells Ext	7%	2.9	$ 152	$ 762
total	3.4%	2.6	$ 156	$ 762
2 Frances Cabrini	12%	2.4	$ 160	$ 762
Cabrini Extension	4%	2.8	$ 153	$ 762
William Green Homes	14%	3.5	$ 131	$ 762
total	9.6%	3.0	$ 147	$ 762
3 Dearborn Homes	10%	2.7	$ 146	$ 762
4 Jane Addams	0%	1.9	$ 151	$ 762
Robert H Brooks	0%	3.5	$ 128	$ 762
Robert H Brooks	1%	2.9	$ 162	$ 762
Grace Abbott Homes	0%	2.9	$ 136	$ 762
total	0.2%	2.7	$ 145	$ 762
5 Stateway Gardens	2%	3.3	$ 120	$ 762
6 Washington Park	3%	3.2	$ 170	$ 762
7 Henry Horner Homes	8%	3.1	$ 197	$ 762
Henry Horner Ext	4%	4.5	$ 181	$ 762
total	7.5%	3.3	$ 195	$ 762
8 Robert Taylor Homes	4%	NA	NA	$ 762
9 Rockwell 2515 W Jackson	15%	3.6	$ 119	$ 762
Rockwell2450 W Monroe	0%	3	$ 177	$ 762
Rockwell 2517 W Adams	5%	3.5	$ 135	$ 762
total	6.1%	3.4	$ 138	$ 762
GRAND TOTAL	5%	3	$ 152	$ 762

Source: HUD Picture of Subsidized Households, 1998

Table 4.10. Income: CHA Properties affected by 202 Legislation, 1998

NAME	AVERAGE INCOME	PERCENT OF HHLDS WITH INCOME BELOW $5000	PERCENT OF HHLDS WITH INCOME ABOVE $20,000	PERCENT HHLDS WITH MAJORITY OF INCOME FROM WAGES	PERCENT OF HHLDS WITH MAJORITY INCOME FROM WELFARE
1 Ida B Wells Home	$ 7,500	34%	3%	20%	37%
Ida B. Wells Ext	$ 7,800	40%	4%	23%	43%
Total	$ 7,584	36%	3%	20.8%	38.7%
2 Frances Cabrini	$ 8,500	37%	7%	24%	40%
Cabrini Extension	$ 7,800	41%	5%	19%	47%
William Green Homes	$ 7,100	49%	3%	15%	61%
total	$ 7,720	43%	5%	18.8%	50.3%
3 Dearborn Homes	$ 7,900	43%	6%	23%	47%
4 Jane Addams	$ 7,200	29%	4%	20%	29%
Robert H Brooks	$ 6,700	46%	1%	9%	56%
Robert H Brooks	$ 8,800	36%	8%	16%	40%
Grace Abbott Homes	$ 7,200	42%	2%	15%	49%
total	$ 7,485	37%	4%	15.8%	42.1%
5 Stateway Gardens	$ 6,400	50%	2%	13%	63%
6 Washington Park	$ 8,200	22%	2%	17%	28%
7 Henry Horner Homes	$ 9,900	34%	13%	27%	38%
Henry Horner Ext	$ 8,900	30%	4%	15%	37%
Total	$ 9,785	34%	12%	25.6%	37.9%
8 Robert Taylor Homes	NA	NA	NA	NA	NA
9 Rockwell 2515 W Jackson	$ 6,500	45%	3%	11%	68%
Rockwell2450 W Monroe	$ 9,600	24%	9%	15%	36%
Rockwell 2517 W Adams	$ 6,900	42%	1%	11%	58%
Total	$ 7,238	40%	3%	11.6%	56.5%
GRAND TOTAL	$ 7,789	38%	5%	18%	45%

Source: HUD Picture of Subsidized Households, 1998

Table 4.11. Householder age and Disability Status: CHA Properties affected by 202 Legislation, 1998

NAME	PERCENT OF HOUSEHOLDERS UNDER 25 YEARS	PERCENT OF HOUSEHOLDERS AGE 62 YEARS OR OLDER	PERCENT OF HOUSEHOLDERS LESS THAN 62 YEARS WHO ARE DISABLED	PERCENT OF HOUSEHOLDERS AGE 62 YEARS OR OLDER WHO ARE DISABLED
1 Ida B Wells Home	11%	16%	21%	66%
Ida B. Wells Ext	17%	11%	15%	59%
Total	12.7%	14.6%	19.3%	64.0%
2 Frances Cabrini	17%	17%	29%	92%
Cabrini Extension	13%	11%	22%	91%
William Green Homes	29%	7%	23%	75%
total	19.8%	11.0%	24.1%	85.4%
3 Dearborn Homes	23%	7%	19%	95%
4 Jane Addams	9%	18%	28%	86%
Robert H Brooks	12%	9%	14%	NA
Robert H Brooks	9%	19%	23%	76%
Grace Abbott Homes	15%	11%	13%	70%
total	11.4%	14.6%	19.9%	65.5%
5 Stateway Gardens	23%	5%	13%	70%
6 Washington Park	8%	23%	38%	94%
7 Henry Horner Homes	11%	10%	19%	74%
Henry Horner Ext	4%	7%	15%	NA
total	10.2%	9.7%	18.5%	NA
8 Robert Taylor Homes	NA	NA	NA	NA
9 Rockwell 2515 W Jackson	28%	4%	9%	NA
Rockwell2450 W Monroe	18%	26%	24%	NA
Rockwell 2517 W Adams	16%	6%	18%	73%
Total	18.5%	8.7%	17.3%	NA
GRAND TOTAL	16%	12%	21%	73%

Source: HUD Picture of Subsidized Households, 1998

Table 4.12. Race, ethnicity, unit size, householder status: CHA Properties affected by 202 Legislation, 1998

NAME	PERCENT BLACK	PERCENT HISPANIC	PERCENT IN EFFICIENCY	PERCENT IN 3 BEDROOM UNIT OR LARGER	PERCENT SINGLE PARENT HOUSEHOLD	PERCENT FEMALE HEAD WITH OR WITHOUT KIDS
1 Ida B Wells Home	99%	0%	22%	14%	53%	87%
Ida B. Wells Ext	99%	0%	25%	26%	61%	87%
Total	99.0%	0.0%	22.8%	17.4%	55.2%	87.0%
2 Frances Cabrini	99%	0%	31%	20%	58%	87%
Cabrini Extension	98%	1%	19%	37%	60%	86%
William Green Homes	99%	0%	9%	59%	79%	91%
total	98.6%	0.4%	18.4%	40.8%	66.4%	88.1%
3 Dearborn Homes	99%	0%	28%	25%	66%	89%
4 Jane Addams	99%	0%	64%	13%	35%	75%
Robert H Brooks	97%	3%	11%	58%	72%	94%
Robert H Brooks	99%	0%	14%	41%	63%	86%
Grace Abbott Homes	99%	0%	23%	25%	63%	85%
total	98.7%	0.4%	31.4%	30.0%	56.0%	83.6%
5 Stateway Gardens	99%	0%	13%	48%	72%	89%
6 Washington Park	99%	0%	24%	68%	55%	85%
7 Henry Horner Homes	99%	0%	15%	39%	64%	89%
Henry Horner Ext	99%	0%	4%	92%	79%	99%
total	99.0%	0.0%	13.7%	45.1%	65.7%	90.2%
8 Robert Taylor Homes	NA	NA	NA	NA	NA	NA
9 Rockwell 2515 W Jackson	99%	0%	11%	54%	84%	97%
Rockwell2450 W Monroe	99%	0%	3%	45%	50%	91%
Rockwell 2517 W Adams	99%	1%	6%	56%	81%	96%
Total	99.0%	0.7%	6.5%	54.0%	76.8%	95.4%
GRAND TOTAL	99%	<1%	20%	41%	64%	88%

Source: HUD Picture of Subsidized Households, 1998

4.3. Mark-to-Market and Expiring Contracts

Two distinct but interrelated changes are occurring in project-based Section 8. First, the timeline for projects that receive Section 8 subsidies nationwide is such that more than two-thirds of all contracts are due to expire in the next five years. Second, the Department of Housing and Urban Development is working to restructure debt on projects which require rents that exceed Fair Market Rent (FMR) levels in order to service the mortgage. At the time a contract expires, the likelihood that a property will remain in the program is dependent on many factors -- determination of eligibility by HUD, the property owner's social and economic preferences, as well as decisions by local agencies overseeing the process and having to underwrite any restructured loan package. While the full range of outcomes is discussed in more detail below, the potential exists for a wide range of possibilities in a region such as Chicago where there are both market and social incentives driving decisions to retain or reduce the assisted private housing stock.

The *Multifamily Assisted Housing Reform and Affordability Act of 1997*[125] deals with restructuring debt and renewing Section 8 subsidies for existing project-based developments nationwide. This law established new policies for the renewal of Section 8 project-based contracts. The Act also sets forth new rules for determining rent increases for renewed contracts and gives HUD authority to deny renewal when Owners are in material violation of their obligations. For some projects, the Act also transfers processing and oversight functions from the Multifamily Hubs and Program Centers to the new Office of Multifamily Housing Assistance Restructuring (OMHAR) under the Mark-to-Market Program (M2M).

Mark to Market (M2M) aims to restructure the debt on thousands of privately owned multifamily properties with federally insured mortgages and Section 8 contracts that set rents at amounts higher than those of the local market. As these subsidy contracts expire, the Mark-to-Market program will reduce rents to market levels and will restructure existing debt to levels supportable by these rents.

The implications for this new law are only now being understood as properties are being evaluated to determine what type of Section 8 subsidy will be renewed, if any. While the long-term effects of expiring contracts and restructuring is unknown at this time, a recent report by HUD found that nearly 2/3 of all project-based contracts will expire in the next five years.[126] This represents 14,000 properties nationwide, and approximately 1,000,000 units, of which 40,000 are in Illinois. To date, 10% of all properties have opted out. More than 30,000 units in 500 properties have left the program since October 1996. In 1998 alone, 300 properties and 17,000 units were lost as owners decided to "opt out", marking a threefold increase from 1997 in the number of properties leaving the program.

In general, HUD identified the following problems and concerns:

- contracts are expiring everywhere -- 44 states have more than 50% of their units expiring in the next five years;

[125] Title V of the HUD Fiscal Year 1998 Appropriations Act, Pub. L. 105-65, approved October 27, 1997.
[126] *Opting Out/In*. HUD/PD&R. April 1999.

- switching to one year renewals instead of longer term contracts compounds the problem as more projects face expiration every year;
- a shortage of affordable housing coupled with a strong economy has been driving rents up in many metro areas;
- most opt-outs are good properties in good, low-poverty neighborhoods;
- most opt-outs are in low-poverty areas, which can cause a substantial increase in the proportion of rent paid by residents;
- residents who move due to rent increase are often competing for affordable units in an already tight affordable housing market.

Estimating effects of M2M and Expiring contracts in the Chicago Region

Using the HUD database containing all properties with Section 8 project-based assistance, we created a subset of data on the Chicago metropolitan region containing all properties with contracts expiring beginning in 1998. This was sorted further by subarea and organized into annual counts of the total properties and units with expiring contracts, distinguishing between those properties that are considered "eligible" to opt out from those that are not. Properties are "eligible" to restructure if they are above-market and the primary financing or mortgage insurance for the project is from HUD. "Ineligible" properties include non-HUD insured developments, projects with rents that are less than market rate, projects financed under Section 202 (senior/disabled) or through Section 441 of the McKinney Act (SRO housing).

Table 4.13 summarizes the total properties likely to be affected by this legislation based on eligibility status, providing an estimate of the total number of units that might "opt-out" of the Section 8 program annually in the Chicago region in the next five years. Table 4.13 also provides data on residents in properties eligible to opt-out of the Section 8 program (building not designated elderly/disabled or rents are at or above 120% of AMI). These data are a combination of the *1998 Picture of Subsidized Households* and HUD's "Expiring Contracts" database, which were linked in Access via the contract number to match up people with places. While this data does not necessarily describe the entire population living in project-based Section 8 housing it does illustrate the extent to which many residents are likely to be older, disabled and with income below 30% of the AMI.[127]

A primary assumption is that properties in the Chicago region will follow patterns nationwide in general and that eligible projects in areas that can command above market rents will opt-out unless there is a compelling reason to stay in (e.g., a non-profit organization whose mission is to preserve affordable rental housing is expected to stay in the program). While there is limited evidence of the effects of opting out at this time, there are some data available to help anticipate what might happen with regard to rent levels. Tables 4.14 and 4.15 show the relatively large rent increases in properties that have left the Section 8 program, either due to opting out or pre-paying their mortgage, throughout the Chicago region.

[127] Any 202/811 project was eliminated, so the proportion of 62 and older is assumed to reflect "senior buildings" that are not automatically exempt bur are assumed to qualify for exemption.

Table 4.13. Profile of Section 8 Properties Eligible to "Opt-Out" of Program, 1999-2004 [128]

	HOUSING UNITS (1)				HOUSEHOLDS (2)		
YEAR	NUMBER OF PROPERTIES	TOTAL UNITS	ASSISTED UNITS	PERCENT ASSISTED	HOUSEHOLDS WITH INCOME BELOW $20,000	HOUSEHOLDER IS DISABLED	HOUSEHOLDER IS ELDERLY
1999	15	2,234	1,714	77%	99%	7%	27%
2000	8	1,304	1,205	92%	96%	11%	45%
2001	11	1,568	1,474	94%	96%	18%	26%
2002	21	3,205	2,238	70%	96%	13%	21%
2003	20	2,784	2,013	72%	96%	15%	23%
2004	19	1,864	1,835	98%	90%	13%	21%
TOTAL	94	12,959	10,479	81%	96%	12%	26%

(1) From HUD's Expiring Contract Database, 1999. Total units and properties with a Section 8 contract expiring that year that are eligible to opt out, either because the development is not housing for seniors and/or persons with disabilities based on funding (Sect 202, 811), or has rents estimated to be at or above market rents (120% of FMR or higher). This includes properties funded under other sources where there is a majority of residents that are either seniors or disabled.

(2) From HUD's Picture of Subsidized Households Database, 1998. Total units and properties with a Section 8 contract expiring that year that are eligible to opt out, either because the development is not housing for seniors and/or persons with disabilities based on funding (Sect 202, 811), or has rents estimated to be at or above market rents (120% of FMR or higher). This includes properties funded under other sources where there is a majority of residents that are either seniors or disabled.

[128] At this time, a property with an expiring Section 8 contract is eligible to opt out of the program if it is not housing for seniors and/or persons with disabilities based on funding or does not have below market rents. We assume that all Section 202 and 811 (or buildings that have combined financing with either or both of these two programs) is ineligible. This, however, does not include properties funded under other sources where there is a majority of residents that are either seniors or disabled. To determine is a building is at market rate, we used the rule of rents being 120% or higher of FMR, which then excluded all properties with rents that were below 120% of FMR.

Table 4.14. Profile of opt-out properties leaving Section 8 program[129]

Development / location	*Units*	*Fund type*	*Rent before*	*Rent After (1)*	*% change*
Barbara Jean Wright Court *1330 S Morgan St* *Chicago, Illinois* *Expiration Date: 8/31/98*	272	Property disposition	$501	$884	76%
Images West II *217 S Homan Ave* *Chicago, Illinois* *Expiration Date: 12/13/99*	58	Voluntary opt-out	$442	$884	100%
Lowe Avenue Terrace Apts *6501 S Lowe Ave* *Chicago, Illinois* *Expiration Date: 1/31/98*	188	Property disposition	$638	$884	39%
Self Help Home for the Aged *908 W Argyle St* *Chicago, Illinois* *Expiration Date: 6/30/98*	9	Voluntary opt-out	$557	$884	59%
Stone Terrace *8415 S Vincennes Ave* *Chicago, Illinois* *Expiration Date: 12/9/02*	154	Voluntary opt-out	$750	$884	18%
Townhouse Gardens *1362 E 64th St* *Chicago, Illinois* *Expiration Date: 3/12/04*	10	Voluntary opt-out	$405	$884	118%
Wentworth Gardens Apartments *320 E 12th St* *Chicago Heights, Illinois* *Expiration Date: 9/30/98*	179	Property disposition	$578	$884	53%

[129] This data is from the National Housing Trust, which compiled it from several HUD sources.

Table 4.15. Profile of pre-pay properties leaving Section 8 program[130]

Development / location	***Units***	***FMR***	***Rent before***	***Rent After (1)***	***% change***
Country Club - Belcrest Apts *6930 S Shore Dr* *Chicago, Illinois* *FY of Prepayment:98*	117	$601	$355	$609	72%
Park West Towers *444 West Fullerton Pkwy* *Chicago, Illinois* *FY of Prepayment: 97*	180	$801	$895	$1237	38%
Times Square Apartments *33 N LaSalle St* *Chicago, Illinois* *FY of Prepayment: 97*	213	$644	$411	$539	31%
Walpole Point Apartments *2140 N Lincoln Ave* *Chicago, Illinois* *FY of Prepayment: 97*	172	$823	$670	$1109	66%
Shadowood Village-Bendal *1769 Robin Ln* *Lisle, Illinois* *FY of Prepayment: 98*	300	$793	$627	$794	27%
Arbor Trails *119 E Sycamore Dr* *Park Forest, Illinois* *FY of Prepayment: 98*	372	$750	$581	$658	13%
Gentry Manor *582 Pennsylvania Ave* *Wheaton, Illinois* *FY of Prepayment: 98*	88	$614	$400	$664	66%
Village Grove Apartments *1130 Cheekwood Ct* *Elk Grove Village, Illinois* *FY of Prepayment: 97*	300	$674	$459	$664	45%

(1) When actual "rent after" was unknown, a proxy of 120% of FMR was used.

[130] This data is from the National Housing Trust, which compiled it from several HUD sources.

4.4. "Welfare Reform"

The Personal Responsibility and Work Opportunity Reconciliation Act was signed into law August 22, 1996, redefining how the federal government assists low income families. The primary basis for assistance is no longer need, but rather ability to work. The Act abolished the Aid to Families with Dependent Children (AFDC) program, and created the Temporary Assistance to Needy Families (TANF) program. The Act provides that there is no individual entitlement for aid under federal law, although a state may build such a promise into its own state law. Work requirements were dramatically increased; individuals must participate in work activities within two years of receiving TANF. Additionally, families will be allowed to receive cash assistance for a maximum of five years in a lifetime.

At this time, the overall TANF participation roles are declining in Illinois and the six county region; however, Cook County and, specifically, Chicago continues to have the highest roles with over 2/3 of all cases in the state.[131] Data on how housing status has changed is very limited at this time -- many researchers say we are just beginning to see evidence of effects, both good and bad with regard to housing.[132] Based on research to date, very little is known empirically what has and is happening to TANF recipients in terms of their housing status when they leave the program, whether it be due to finding work or being sanctioned. There are, however, areas of concern articulated primarily by policy analysts and advocates for the poor, which are summarized:

- There are not enough Welfare-to-Work vouchers to meet the need of everyone. [133]
- Places with housing shortages are likely to mitigate any benefits of adding these vouchers if there is not sufficient enough product in the market.
- A key difficulty for a homeless person is meeting the work requirement -- they are under the same time constraints as persons with permanent housing.[134]
- Loss of benefits will likely cause moving to increase.
- When households change homes, they may or may not necessarily improve their situation in terms of housing quality or neighborhood condition.
- TANF recipients face higher risks and reduced opportunities if they are not also receiving housing assistance.[135]

Following this last point, Table 4.16 provides estimates of the total number of people receiving different types housing assistance. Based on this count, there are more than 67,000 TANF recipients living in unsubsidized housing in this region. Most are living in Cook County and more specifically in the City of Chicago.

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[131] *The State of Welfare Caseloads in America's Cities: 1999.* Center on Urban Metropolitan Policy The Brookings Institute, February 1999

[132] Laura Nichols and Barbara Gault. "TANF Presents New Challenges for Families in Meeting their Housing Needs" Welfare Reform Network News. March 1999.

[133] Laura Nichols and Barbara Gault. "TANF Presents New Challenges for Families in Meeting their Housing Needs" Welfare Reform Network News. March 1999.

[134] *Welfare to What?Early Findings on Family Hardship and Well-Being.* Children's Defense Fund and National Coalition for the Homeless. December 1998.

[135] G. Thomas Kingsley. Federal Housing Assistance and Welfare Reform: Uncharted Territory. The Urban Institute.

Table 4.16. Estimates of TANF recipients with some form of housing assistance by program

	TANF HOUSE-HOLDS	SECT 8-TENANT BASED	PUBLIC HOUSING	SECT 8-PROJECT BASED	TOTAL TANF ASSISTED UNITS	% OF TANF	TOTAL TANF IN NON-ASSISTED HOUSING
COOK	80,000	4,000	8,000	4,500	16,500	20.6%	63,500
DUPAGE	800	200	-	70	270	33.8%	530
KANE	1,000	150	90	200	440	44.0%	560
LAKE	1,300	350	160	300	810	62.3%	490
MCHENRY	200	30	30	20	80	40.0%	120
WILL	2,000	150	140	100	390	19.5%	1,610
TOTAL	85,300	4,880	8,420	5,190	18,490	21.7%	66,810

Note: TANF estimates are from Illinois Dept of Human Services (July 1999) and housing assistance estimates are based on data from HUD's Multifamily Tenant Characteristic System (June/July 1999).

Table 4.17 outlines likely scenarios for TANF recipients based on their housing situation and their employment status. Based on the profile of adults on the current TANF roles, most do not appear likely to leave TANF in order to take a high wage job. As of July 1999, most TANF recipients in the six county region had little to no work experience. One-third of the adult TANF recipients in Cook County had no work experience at all, and of those that did, most had worked in service occupations, which generally pay relatively low wages. Over 50 percent of TANF recipients in Cook County had not completed high school. Furthermore, the majority are non-white females, which is the group that generally earns the lowest wages in the job market

Table 4.17. Assumptions about how housing status will be affected when householder no longer in TANF

	SUBSIZED HOUSING	NON-SUBSIDIZED HOUSING
LEAVE TO TAKE HIGH-WAGE JOB	• Increased income will raise rent to 30% of new income at renewal • if income is sufficiently high, tenant my need to relinquish subsidy	• Percentage of income paid toward rent will decrease • may move into higher rent housing to improve conditions
LEAVE TO TAKE LOW-WAGE JOB	• increased income will raise rent to 30% of new income at renewal • may choose to leave current unit, especially if income change is significant	• ability to change housing situation will depend on how much income has changed, as well as housing opportunities
LEAVE WITH NO JOB	• will depend on assistance over time; tenant is secure in short-run as difference is made up by subsidy	• most likely evicted if rent is not paid; may go to shelter or "double up" with another household in area, or may leave the area altogether.

5. FRAMEWORK FOR EXAMINING DEMAND FOR AFFORDABLE HOUSING AMONG SPECIFIC GROUPS IN THE CHICAGO REGION

This section of the report lays out a method and the logic behind it for developing an estimate of overall demand for affordable rental housing in the Chicago region using the various data sources reviewed in the previous sections. Most of the households in these different demand groups are "very low-income" (up to 50% of AMI), with many in the "extremely low-income" (0-30% of AMI) category. We focus here on how best to account for overlap and potential double-counting of households that fall into more than one demand group by income.

We begin by reviewing how each demand group is currently accounted for in our estimate of aggregate demand by income and by any additional classification (e.g. disabled, poverty, subsidized/receiving housing assistance). The estimates of demand presented in Table 5.1 are derived from the previous sections' estimates of persons/ households in each category, with the appropriate tables and assumptions referenced in the footnotes. Note that in each, we have provided a "low" and a "high" number. Table 5.2 divides the total estimated number of households in each group by income level. Again, assumptions are provided in the table's footnotes.

Several basic assumptions based on what was presented in previous sections have been made about where and why different demand groups are likely to overlap:

- Homeless families and individuals are <u>not</u> counted in estimates of demand based on income *unless* they work or receive some form of income assistance (e.g., TANF, SSI).
- Demand for affordable and wheelchair accessible housing cuts across all other demand groups, and is relative to what units exist in the current housing stock.
- All CHA residents in buildings that are to be redeveloped are considered part of existing demand but will become "new demand" in the private sector (either with or without the use of a Section 8 voucher) if and when they move out. Regardless of how many tenants remain in public housing, the net loss of units needs to be taken into account in any future inventory of affordable rental stock.
- New net additions from the Section 8 waiting list are assumed to be living in housing in the private sector already -- only household consumption criteria will change due to imposed program restrictions and housing assistance grant amount.
- Tenants in Section 8 housing developments that opt-out may have their demand criteria changed for them if rents are raised in developments (i.e. how much above 30% of income are they willing to pay). Furthermore, these units are no longer considered part of the total inventory of affordable rental stock even if rents are supplemented via Section 8 tenant-based assistance, since these units are expected to rent at market rate (or higher).
- Demand for housing near employment will vary with income, household preferences and mode of transportation available to the employee.
- All TANF recipients have the potential to have their income increase or decrease significantly; however, most are likely to remain at the extremely low- and low-income level based on the profile of current TANF adults on the roles.

Table 5.1. High and low number of households in each demand group

DEMAND GROUP	LOW (1) HOUSEHOLDS	HIGH (1) HOUSEHOLDS
Homeless (2)	62,000	107,000
Persons with Disabilities (3)	57,000	435,000
Low-wage commuters (4)	528,000	791,000
Public housing relocatees (5)	6,000	11,000
Section 8 waiting list (6)	3,000	3,500
Project-based Section 8 tenants (7)	1,000	2,000
TANF recipients (8)	67,000	67,000

(1) "Low" and "High" based on ranges calculated for each group in previous sections. Any group that had only one level of demand determined is listed as both.

(2) Based on estimates of homeless households in need of affordable housing (Table 3.12).

(3) High based on persons 21-64 with Mobility Limitations and work disability (Table 3.18). Low based on all persons using wheelchair age 6 and older (Table 3.19). While there are likely to be households with more than one person either with a mobility limitation or using a wheelchair, each person is treated as being part of a different household. This may consistently over count the low number of households requiring accessible units.

(4) Based on proportion of total entry-level jobs, which may or may not be filled, and/or may or may not already be filled by someone already living in affordable housing. Assume that there is 1 household for every 1.5 jobs, since many workers are in two-wage earner households. High assumes 75 percent of households require affordable rental housing and low assumes 50 percent of households require affordable rental housing (up to 80% of AMI). (Table 3.21)

(5) High assumes that approximately 11,000 households will be relocated based on current occupancy of family high-rises and units in sites already being redeveloped by CHA. Low assumes that 6,000 households based on estimates in CHA Plan for Transformation.

(6) Based on six county aggregate annual net certificates available. High assumes maintaining status quo and low assumes a turnover rate that is 10% lower, assuming more households stay in program longer and no new "non-relocatee" vouchers are issued.

(7) Assumes that all tenants in projects opting-out and being refinanced will be given vouchers. The range is based on an estimate of households between now and 2004 that might move out of units affected by rent increases, with the "high" being at a 20% rate (n=2,000) and the "low" assuming 10% (n=1,000).

(8) Assumes all TANF recipients with no housing subsidy need affordable housing, and that most if not all will either find work at relatively low wages, continue to receive TANF or be without any assistance (Table 4.16).

Table 5.2. Proportions and counts of different groups by income level

DEMAND GROUP	HOUSEHOLDS BY INCOME GROUP (1)		HIGH	LOW	SPECIFIC CLASSIFICATION IN AGGREGATE DEMAND
Homeless (2)	EL	90%	96,300	55,800	NONE
	VL	10%	10,700	6,200	
	L	0%	-	-	
	M	0%	-	-	
Persons with Disabilities (3)	EL	37%	161,000	21,100	"DISABLED" RENTERS
	VL	15%	65,300	8,500	
	L	27%	117,400	15,400	
	M	21%	91,300	12,000	
Low-wage commuters (4)	EL	25%	197,750	132,000	NONE
	VL	25%	197,750	132,000	
	L	25%	197,750	132,000	
	M	25%	197,750	132,000	
Public housing relocatees (5)	EL	95%	10,500	5,700	RENTERS IN ASSISTED HOUSING
	VL	5%	500	300	
	L	0%	-	-	
	M	0%	-	-	
Section 8 waiting list (5)	EL	50%	1,800	1,500	RENTERS IN ASSISTED HOUSING
	VL	40%	1,400	1,200	
	L	10%	300	300	
	M	0%	-	-	
Project-based Section 8 tenants (5)	EL	90%	1,800	900	RENTERS IN ASSISTED HOUSING
	VL	10%	200	100	
	L	0%	-	-	
	M	0%	-	-	
TANF recipients (6)	EL	90%	60,300	60,300	RENTERS AT OR BELOW POVERTY LEVEL
	VL	10%	6,700	6,700	
	L	0%	-	-	
	M	0%	-	-	

(1) Income categories are: EL = Extremely low-income (0-30% of AMI); VL = Very low-income (30-50% of AMI); L = low-income (50-80% of AMI); M = moderate income (80-120%). The percentages used vary with each group and are based on data presented in the previous sections or on assumptions stated in footnotes below.
(2) Income levels based on a composite of various sources on shelter users and previously stated assumptions about persons not staying in shelters.
(3) High based on persons 21-64 with Mobility Limitations (work disability). Low based on persons using wheelchair age 6 and older. Proportions are derived from the combined six county total for each category.
(4) Based on the assumption that there is an equal distribution of entry level jobs across all income categories.
(5) Based on data on income from HUD
(6) Assumes most either receive TANF with no work or work but earn relatively low wages.

Estimating demand by different demand group simply requires selecting one of the two "levels" of demand (i.e., the high or low estimate in Tables 5.1 and Table 5.2). Estimates of "unmet demand" are more difficult to determine. One quick method is to compare the current supply of housing with the current demand for the particular type of housing. For example, there would be a shortage of low-cost housing affordable to very-low income households if there were more households than the number of units in the region at or below the rent level that would be affordable (i.e., assume paying no more than 30 percent of income for rent). However, this method only shows the number of units that would be needed -- it does not tell us the degree to which other special needs are required. Table 5.3 identifies what percentage of each demand group (left-hand column) is either homeless, on a Section 8 waiting list already, living in a unit that receives project-based assistance, or in public housing. Based on this table, additional assumptions about current demand that goes beyond income to consider the degree to which accessible housing is also needed and the extent to which this population is already receiving some form of housing assistance. This table should be used with caution, however, since it does not tell us what proportion are actually paying to much for rent or living in poor quality housing.

5.3 Housing status of different demand groups based on current and future need

	HOUSING STATUS				***Households needing accessible unit***
	Homeless (1)	***Section 8 waiting list***	***Project-based Section 8***	***Public housing***	
CURRENT DEMAND (read across)					
Homeless	100%	<5%	0%	0%	5%
Persons with Disabilities	5%	25%	10%	30%	100%
Low-wage commuters (2)	<1%	<5%	<5%	<10%	Unknown
FUTURE DEMAND (read across)					
Public housing relocatees	NA	0%	0%	100%	30%
Section 8 waiting list (3)	5%	100%	0%	0%	20-25%
Project-based Section 8 tenants	NA	NA	100%	NA	10%
TANF recipients	15-20%	15-20%	5%	5%	Unknown

(1) Persons who are homeless may also be on a Section 8 waiting list, therefore allowing for overlap.

(2) Estimates by housing status determined by the number of households that are working in different types of housing, or are homeless, or on a waiting list as a proportion of total entry level jobs in region.

(3) Does not include public housing relocatees.

Assumptions about different demand groups

Additional conditions outlined suggest how the problem of determining current unmet demand might be approached based on the data provided.

Homeless Households	1) All require very low-cost or subsidized housing 2) Less than 5 percent are currently on a Section 8 waiting list 3) approximately 5 percent require accessible housing based on a physical disability 4) About 75 percent also require some type of assistance beyond housing (i.e., supportive services)
Persons with Disabilities	1) All require physically accessible housing, and most require low-cost units based on income level. 2) Less than 5 percent are homeless 3) Only 10 percent of disabled residents live in Section 8 and only 30 percent live in public housing; however, this is likely to be an over-estimation since it includes all disabilities and not just those with mobility limitations 4) No more than 25 percent are currently on a Section 8 waiting list.
Low-wage workers	1) While most could qualify for housing assistance (50-75%), very few live in subsidized housing of any type (less than 15%), are currently on a waiting list for Section 8 (less than 5%), or are homeless (less than 1%) 2) Based on the distribution of rental housing in the area, low-income commuters living in affordable rental housing in the private market are more likely to be living in the City of Chicago and commuting out the suburbs, particularly north and northwestern Cook County and the surrounding counties.

Regarding future demand, the shift in housing status within each demand group means that not only is there an increase in demand, there will also be a shrinking of supply, at least within public housing and project-based Section 8 developments. Households currently waiting for Section tenant-based assistance that "rent in place" or TANF recipients that remain in their current housing do not change the supply of affordable housing.

What is most important to consider in the near future is how shifts in the supply of subsidized housing can increase competition in the private market. Following the law of supply and demand, decreases in supply coupled with increases in housing demand in the private market are expected to raise rents, which mean more families competing for affordable housing, at least in the short run. In general, most households with incomes that require affordable rental housing are also likely to be qualified for rental housing assistance (based on income level only), yet relatively few live in any type of subsidized housing. As policy changes are implemented in the coming years, any decrease in the proportion and number of low-cost rental units could change this situation.