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Affordable housing is meager in suburban Cook County

Census shows demand for affordable housing far outstripped supply even as the number of affordable units rose, researchers say

By Mary Ellen Podmolik, Chicago Tribune reporter

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Talk of the housing crisis generally revolves around the millions of homeowners who, unable to afford their mortgage payments, have lost their homes to foreclosure.

Renters have had it hard too, though, and the increased population of homeowners-turned-renters has limited affordable rental options for the less fortunate, particularly in suburban Cook County.

Looking at Census Bureau data between 2007 and 2011, researchers at the Institute of Housing Studies at DePaul University found demand for affordable housing far outstripped supply even as the number of affordable units rose.

In 2007, there were 118,794 suburban Cook County renter households that earned 150 percent of federal poverty level, or $34,532 annually, and could afford a rent of $863.29, meaning they paid no more than 30 percent of their income on rent and utilities. That year, the supply of those units in the suburbs totaled 71,138, leaving the affordable housing needs of almost 48,000 renters unmet.

By 2011, despite the number of affordable housing units increasing to 85,176, demand for those units exceeded supply by almost 60,000 households.

The mismatch between supply and demand for affordable units in the city of Chicago grew as well, but the gap was not as pronounced.

"There's always going to be a gap," said Geoff Smith, the institute's executive director. "It's the growth of the gap. There aren't nearly enough units to house them affordably. As the gap grows, that translates to more households being rent-burdened."

A decline in household income has exacerbated that rent burden. Compared with 2007, 2011 median income among renter households was down 2.8 percent within the city and 10 percent in suburban Cook County.

"People's incomes have either gone away or they've been down," said John Paul Beals, director of supportive services at Lawyers Committee for Better Housing, adding that low-income renters have either moved in with family or friends or have moved into substandard apartments.

The shift toward renting has not gone unnoticed by municipalities, particularly those that are in transition as private investors buy foreclosed single-family homes and convert them into rental properties. But those endeavors frequently target more well-to-do renters who can afford market-rate rents.

"In the city, you're starting to see new multifamily buildings. In the suburbs you're seeing a lot of people coming in and buying single-family rentals," Smith said. "This report raises a lot of questions that at this point we can't answer. Are households going to rebound and earn more money and you'll have higher income rental households, or are those households going to transition back to owner occupancy at some point?"

Federal and state governmental agencies and nonprofit groups have directed funds toward the creation of affordable rental units, but many of the recently announced projects have targeted housing for people who are homeless, are in danger of becoming homeless or those who have a certain disability.

"Municipalities have been so focused on the foreclosure crisis," said Bob Palmer, policy director, Housing Action Illinois. "In terms of public policy and more affirmative actions, at this point people are still being educated about the increasing rental costs and it hasn't caught up with actions on the ground yet."

Creating affordable rental housing is not an easy undertaking, said Edward Solan, executive director of the Oak Park Housing Authority, which worked for four years with Interfaith Housing Development Corp. to begin the process of turning an empty Comcast office building in the village into Grove Apartments, 51 affordable one-bedroom units.

"The process is not for the faint of heart," Solan said. "There are a good number of qualified developers who are in this business, who understand the process and are capable of doing it. The difficulty is finding good sites and finding the finances necessary to do it."

"Lasagna financing" is how Solan describes the multiple layers of financing needed to bring to fruition a project with construction costs of $15 million. The project was financed through a combination of federal low-income housing tax credits, support from Cook County and the state, and funding from the Federal Home Loan Bank of San Francisco.

The group is seeking to fill the units with the working poor — single adults or an adult with a child with household income no more than $25,800. It has a preference for people who live and/or work in Oak Park. The monthly rent will be $690 with utilities included, which Solan estimates is about $200 below market rate.

With a goal of moving the first tenants in on Oct. 1, the group recently began taking names for a waiting list.

So far, more than 400 people have called. "The demand is overwhelming," Solan said.

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