



ADVERTISEMENT

REAL ESTATE

Rental units large enough for families are in short supply, but new developments could help

By Lizzie Kane

Chicago Tribune • Published: Aug 22, 2023 at 5:00 am



 Expand

Safia Matariyeh and her four children hang out in the kitchen of their apartment at the Optima Signature building on Aug. 17, 2023, in Chicago. The family has lived there for nearly three years. (Stacey Wescott/Chicago Tribune)

Listen to this article



For Safia Matariyeh, 36, and her husband Dean, the classic trend of moving out of the city and into the suburbs once children come into the picture was a plan they considered but have yet to act on.

Instead, they have continued to rent a market-rate unit in the city for years as their family has expanded to include an 8-year-old, a 6-year-old and 2-year-old twins.

As a working parent, Matariyeh said she appreciates all that Optima Signature, her luxury apartment building in Streeterville, provides, with activities for kids such as indoor and outdoor pools and a playroom, as well as the option to be free from the maintenance issues and homeowners associations that can come with owning a property.

“Sometimes there is a notion of a timeline: you are supposed to get married, have kids, buy a house and do all these things, and is that really life?” said Matariyeh, who lives in a three-bedroom apartment and knows more than 20 families with kids in her building. “It is nice to

know that my time is for my kids and my partner. We are just able to live our life and not be so tied to a home.”

Chicago is seeing more rental housing developments geared toward families like the Matariyehs, as buildings with higher concentrations of two-bedroom or larger apartments are coming on the market or under construction. On top of the shortage of housing broadly, there is also a shortage of family-sized rental housing — typically defined as units with two or more bedrooms — in Chicago and nationally. Rental housing for families that is affordable is in especially limited supply, as two- to four-flats have continued to be gobbled up or priced up by gentrification in Chicago.

A 2020 report from the Chicago Department of Housing finds that for the past decade, market-rate construction has leaned heavily toward studio and one-bedroom units, which, in turn, has shaped affordable housing production. For affordable housing developed through the city’s Affordable Requirements Ordinance — the policy which requires many developers to make a chunk of their units affordable housing — more than 75% of units under construction or completed as of 2020 were studios and one-bedrooms, with less than 5% being three-bedroom units or larger, according to the city report.



The Optima Signature building features teal glass on the upper floors and red glass on the bottom along the 200 block of East Illinois Street in Chicago. The building includes larger, multi-bedroom rental apartments, a gym, pool, workout rooms, a children’s play area

and Club 52 which features a community lounge, outdoor seating areas, and a massive wraparound deck with Lake Michigan, Chicago River, and Loop views. (Stacey Wescott/Chicago Tribune)

Between 2014 and 2021, of all multifamily units being developed or preserved with support from Chicago's Department of Housing, 38% of units had two or more bedrooms, according to the housing department. For new construction and preservation taking place in 2022 and 2023, this number is closer to 45%, a number that would be higher if not for all the rehabilitations taking place, which consist mostly of studio and one-bedroom apartments, the department told the Tribune in a statement.

Daniel Hertz, director of policy for Chicago's Department of Housing, said there is a deep need for every size of affordable housing.

SPONSORED CONTENT



How to Fix Tasteless Coffee from Your Keurig Machine - Don't Throw It Away Yet [↗](#)

The idea of a machine that could produce hot coffee at the touch of a button seemed like a dream come true.

By [Angelino's Coffee](#)

Hertz said since 2021, under the Affordable Requirements Ordinance regulations, the department has tried to nudge developers toward building more family-sized units by crediting developers for more than one unit if they turn a smaller unit into one with multiple bedrooms. The department has historically been better able to shape projects that receive city funding, he said.

The Illinois Housing Development Authority has been incentivizing the construction of larger units for more than 10 years by scoring developers applying for low-income housing tax credits — the main source of federal financing behind affordable housing developments across the country — higher if they build three-bedroom or larger units.

[[*Passive House design is coming to Chicago's multifamily housing industry*](#)]

Encuentro Square, which broke ground this month, is among the properties being specifically marketed toward families.

An 89-unit affordable housing development in Logan Square near the western end of The 606, Encuentro Square will have 70 family-sized units, with all 89 units reserved for residents with incomes at or below 60% of the area median income. For a family of four, \$66,180 would be 60% of the area median income in Chicago, according to the city's Department of Housing. Fifty-five units, 44 of which are family-sized, will be made affordable through a Chicago Housing Authority voucher program.



Encuentro Square, which will provide 89 affordable units for those with incomes at or below 60% of the Chicago area median income,

is under construction in Chicago's Logan Square neighborhood, near the western terminus of the 606. (Canopy / architecture + design)

The building will include amenities such as community services to support residents, a children's room, a teaching kitchen, a lounge and a courtyard, according to an Aug. 9 news release from the Department of Housing and the Chicago Housing Authority.

In 2019, the Department of Housing put out a request for proposals for the redevelopment of the site, which the Trust for Public Land had originally acquired [given rising gentrification in the area](#) during the planning and construction of The 606, according to the news release. The development of Encuentro Square — which sits on the site of a former factory — is a collaborative effort between local nonprofit housing developer Latin United Community Housing Association and Chicago-based Evergreen Real Estate Group.

David Block, director of development for Evergreen Real Estate Group, said Chicago has done a good job of continuing to attract young professionals coming out of college, most of whom are looking for one- and two-bedroom apartments, but that size unit does not work for everyone.

The idea for Encuentro Square grew out of community conversations where residents and the local alderman at the time, Roberto Maldonado, articulated that gentrification caused by the trail development was displacing families and causing a need for the creation of more family housing, Block said.

“Chicago is such a big city, and it is still a city where people choose to stay and raise their families and send their kids to school,” Block said. “And as family housing becomes less and less affordable, it's hard for Chicago to be economically and socially healthy if families are struggling to find housing. So, we see (this project) as a modest contribution to the overall health of Chicago as a city.”

While they did not get this feedback in Logan Square, Block said one of the challenges to building family-sized housing can be that it brings out people in the NIMBY camp — those whose response to increased development is “not in my backyard” — since people tend to assume that more kids around the neighborhood means more trouble. Evergreen does not currently have any other developments in the construction pipeline focused on family-sized units in Chicago apart from Encuentro Square.

[As prices in Logan Square have gone up](#), the Northwest Side neighborhood is an example of an area where two- to four-unit properties have been turned into single-family homes or rising rents have priced out many families, according to housing experts.

Single-family homes tend to have the most bedrooms in Chicago, with two- to four-unit buildings the more affordable option and next in line for the greatest number of bedrooms, according to 2019 data from DePaul University's Institute for Housing Studies. The institute finds that buildings with more units, particularly those with 50 or more, tend to have more studios and one-bedroom apartments.

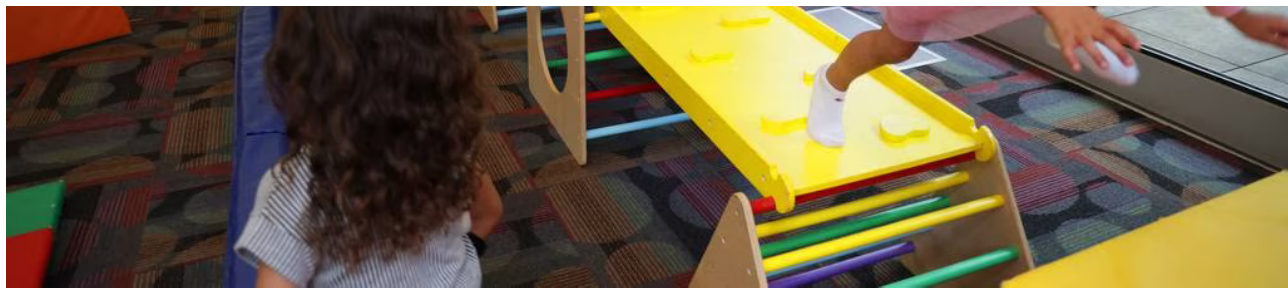
“For rental units of multiple bedrooms — especially in higher-cost neighborhoods — we are seeing that type of housing being lost,” said Geoff Smith, executive director of DePaul University's Institute for Housing Studies, a group that has chronicled the loss of two- to four-unit properties in the city. “And so I do think there are concerns that the city is losing family-sized rental housing and not really replacing it with new construction affordable rentals.”

Some West Loop developers such as Ogden Partners Lister LLC are building smaller units but constructing or rehabbing two- to four-flats at different sites as a part of adhering to the city's affordable housing requirements, according to Department of Housing.

Smith said the question of if there are enough family-sized units in the city is in some ways “a chicken and egg type of question”: Some people argue rising rents and the limited housing stock for families are pushing people out of the city, whereas others argue that families are voluntarily leaving the city, with developers then building smaller units to meet the demand for those smaller households.

And different neighborhoods show different demographic trends, Smith said. Higher-income communities have historically drawn children, but gentrifying areas such as Logan Square and communities experiencing disinvestment — including the South and West Sides — have been losing children, according to research from the housing institute.





Two-year-old twins run across a play structure in the children's playroom at the Optima Signature apartment building on Aug. 17, 2023, in Chicago. The building features many family-friendly amenities including indoor and outdoor play areas, two swimming pools and a Montessori school. (Stacey Wescott/Chicago Tribune)

Nationally, Harvard University's Joint Center for Housing Studies also finds a shortage of affordable family-sized rental housing, as they say lower-income families are competing with higher-income families and individuals for available and affordable units.

[\[Chicago Plan Commission greenlights 1,500 new apartments in Fulton Market and redevelopment of Englewood school \]](#)

Real estate firm Related Midwest is working on two city- and state-funded projects that are trying to bring back families who were displaced as a part of the Chicago Housing Authority's "Plan for Transformation," its 2000 pledge to tear down and rebuild tens of thousands of units of public housing for Chicagoans.

Lathrop consists of mixed-income rental housing, with 92 out of 179 units of Chicago Housing Authority apartments having two or more bedrooms, 47 out of 116 non-CHA affordable units having two or more bedrooms and 64 out of 192 market-rate units having two or more bedrooms. Construction wrapped up in the spring of this year for the property in North Center.

Teneisha Robles, 30, moved to Lathrop three years ago and lives with her husband and three kids in a three-bedroom apartment.

Her family secured a spot at Lathrop after about a year on the waitlist, and now Robles does not think she will leave until her family can afford to buy a home. She loves the green space, the sense of security the community provides, the events for both young and old and resources such as the Boys & Girls Club where her kids can go.

Robles moved from a three-bedroom apartment in Logan Square, seeking a neighborhood with more space while also allowing her 15-year-old, 11-year-old and 8-year-old to stay in the same schools.

"It was hard to find one for this price," Robles said, who pays \$1,199 in monthly rent. "Either

it wasn't affordable at all, it wasn't in a good neighborhood, it wasn't what I was looking for, nothing at all."

Roosevelt Square is another multiphase, mixed-income project, with hundreds of apartments completed and underway and, as of now, 368 units with two or more bedrooms. Rents for affordable units vary and are based on the city's area median income rules. Construction for all phases is expected to be completed in August 2024.

Sarah Wick, senior vice president for Related Midwest's affordable housing division, said the goal with multifamily housing projects is to try to attract as diverse of a population as possible, coupled with being able to fill the units based on demand.

Wick said in years past when she was able to look at the Chicago Housing Authority waitlist for people opting to come back after being displaced as a result of the Plan for Transformation or for those on the housing authority's other waitlists, the demand was mainly for one- and two-bedroom units.

"I think the benefit of projects like Lathrop or Roosevelt Square is we are building new quality units that would, in the marketplace, be priced significantly higher but are affordable to larger family sizes and would allow them to stay in the city if they wanted to," Wick said. "Having more of that as an option is just generally good for the city."

The Chicago Housing Authority shared data for various housing voucher waitlists with the Tribune showing the largest percentage, 40%, of people are requesting one-bedroom apartments, with the need progressively decreasing as the bedroom count increases.

Smith of the housing institute said as the city tries to promote income and racial diversity, especially in high-cost neighborhoods, it has to think about the type of housing stock.

"You can't really (promote diversity) if you don't have a diverse housing stock that can accommodate families of different income levels," Smith said.

Heart Surgeon Begg Americans: "Stop Doing This To Your Blueberries"

Gundry MD | Sponsored

[Learn More](#)

Chicago: Unsold Alaska Cruise Cabins Are Almost Being Given Away

Alaskan Cruise Deals | Sponsored