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Struggling homeowners, renters, loss of units make housing affordability major 2007 election issue, says new Chicago Rehab Network analysis

As local elections loom, a Housing Fact Sheet for the City of Chicago released by the Chicago Rehab Network reveals troubling trends that show an affordable housing crisis on the horizon, evidenced by residents paying more of their income for places to live, a declining number of rental units, and higher housing costs. Those challenges make housing affordability the major campaign issue for 2007, said the non-profit.

“Our analysis reveals that housing affordability is a pressing issue for growing numbers of families and residents. We are seeing a triple squeeze, with costs escalating, an outrageous loss of rental housing, and a dwindling supply of affordable housing,” said Kevin Jackson, executive director of the Chicago Rehab Network. The analysis, released Jan. 23 via e-mail, will also be posted on the Chicago Rehab Network website (www.chicagorehab.org), and sent to all candidates for aldermanic seats and the mayor’s office.

“With thousands of rental housing units lost and homeowners and renters alike struggling to keep roofs over their heads, housing affordability is the litmus test for 2007 elections,” said Jackson. “Elected and appointed leaders must begin to prioritize affordability before we see increased foreclosures, more abandoned houses and residents at risk for homelessness. It’s time for strong leadership that recognizes housing as critical for healthy and stable communities and will make policy and funding changes to stem this crisis,” said Jackson.

Among major findings contained in the Housing Fact Sheet analysis:

- **Increased Housing Cost Burden:** Chicago homeowners are struggling with housing costs. Almost half of homeowners spend more than 35 percent of their income on housing cost. This is a dramatic increase given just 26 percent of homeowners were cost burdened in 2000. Cost-burdened renters, those who pay more than a third of their income for rental housing, is also up. One of four Chicago renters are cost burdened, a number which increased significantly since 2000. The trend portends increased foreclosures, homelessness and greater neighborhood instability.

(more)

- **Housing Costs Rising Higher Than Incomes:** The median home purchase price was \$225,360 in 2005, up from \$150,160 just five years earlier. Annual income needed to purchase a home at this rate would be at least \$68,000. But with current median household income in the city at \$41,015, a decline from \$45,278 in 2000, homeownership remains out of reach for most Chicagoans.
- **Continued Decline in Rental Apartments:** The city has lost over 71,000 rental units since 2000. Chicago stands to lose an additional 8,000 federally subsidized units in three years when contracts expire by 2010. The loss of rental units has not been offset, despite the 17,000 condos, homes and apartments Chicago gained in five years that are classified as new housing units.

The Chicago Rehab Analysis also includes numbers that show a decline in the numbers of white and African American residents in the city, increased poverty, and an increase in median rents. The study was based on an analysis of Census 2000 data and 2005 data from the American Community Survey.

The Chicago Rehab Network has consistently highlighted the economic and empowering value of housing that people can afford, whether renters or home owners.

“We have continually challenged the city to preserve neighborhoods through consistent and solid policy, to exhibit strong leadership by keeping housing affordable and committing needed resources to keep our city diverse and a place where everyone can find a place to live,” said Jackson. “With the upcoming elections, we present updated information for voters and candidates to examine and consider. We can’t ignore this problem and our hope is that good information will stimulate more conversations, questions and commitments to do the things that promote housing affordability.”

Chicago Rehab staffers are available for immediate interviews. In addition, local leaders will be available to talk about the affordable housing crisis on Thursday, January 25, at 10:30 a.m., when the analysis will be presented to community development corporations and affordable housing advocates. The presentation will take place at the Leland Building, 1207 W. Leland. Call or e-mail Richard Muhammad for a copy of the 2007 Housing Fact Sheet.

The Chicago Rehab Network (CRN) is a citywide coalition of neighborhood based community based development organizations. Founded in 1977 by community groups seeking to pool expertise and share information, the coalition’s membership consists of over 40 housing organizations representing over 60 city neighborhoods. Over the years CRN’s members have created tens of thousands of affordable housing units and made a visible impact on some of Chicago’s most disinvested communities, while preserving affordable housing in some of its most rapidly gentrifying ones. Visit www.chicagorehab.org for more information.