

Opportunities to Create Affordable Housing near Transit

Discussion with
Jefferson Park Forward

May 19, 2016

Chicago Housing Initiative

•Organized in 2007, the Chicago Housing Initiative (CHI) is a low-income housing coalition. Today, CHI is made up of ten community organizations.

1. Access Living
2. Jane Addams Senior Caucus
3. Kenwood Oakland Community Organization
4. Logan Square Neighborhood Association
5. Lugenia Burns Hope Center
6. Metropolitan Tenants Organization
7. Organizing Neighborhoods for Equality (ONE: Northside)
8. People for Community Recovery
9. Pilsen Alliance
10. Southside Together Organizing for Power

Mission:

To amplify the power of low-income Chicago families and seniors to preserve, improve, and expand low-rent housing options, promote community stabilization, and advance racial and economic inclusion and equity.

**1. What does “affordable housing”
even mean?**

2. Who needs it?

**3. What could Jefferson Park have
to offer to those who do?**

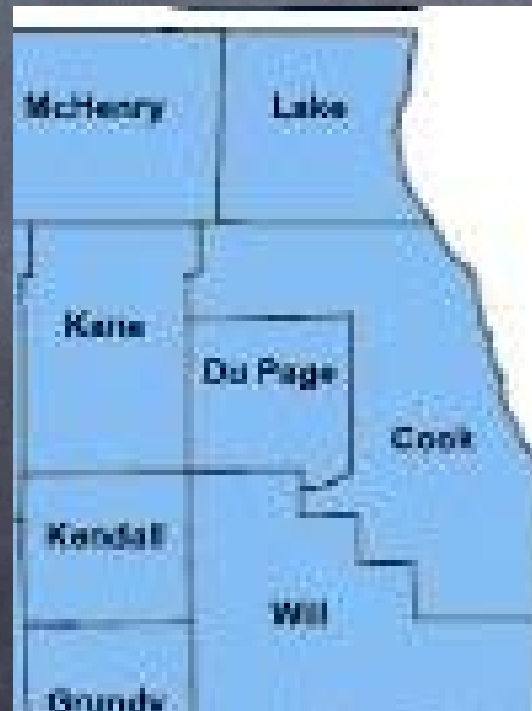
4. What tools exist to help create it?

What does the phrase 'affordable housing' mean?

- “Affordable Housing” is defined as housing affordable to people earning the ‘median’ income for the Chicago Metro-Region.
- Median income for Chicago Metro-Region =
 - \$52,400 for 1 person and
 - \$74,800 for a family of 4

How Median Income is Calculated

- 'Median' income for Chicago is calculated based on incomes in Lake County, Will County, DuPage, Kane, McHenry, *and* Cook Counties.
- It is not based only on what kind of incomes families earn in Chicago.



Does this skew the results?

- Median income for a family
 - Lake County: \$88,851
 - City of Chicago proper: \$46,748
- Inside Chicago:
 - Woodlawn Neighborhood: \$21,482
 - Englewood: \$18,955
 - North Center/ Roscoe Village: \$51,758
 - Lake View: \$65,340

Who is a “Median-income” Family?

- \$74,800 for family of 4
 - **Police Officer**, \$70,660 marries **Stay-at-home-mom** (\$0), has 2 kids



- **High School Teacher**, \$50,760 marries **Security Guard**, \$23,050, has 2 kids



What does a “Low-Income” Family Look Like?

“Low-Income” = 50-80% of AMI =
\$37,406-\$59,850 for family of 4



80% AMI:

Chef, \$32,300 marries
**Certified Nursing
Assistant**, \$22,930,
has 2 kids

50% AMI:

Maid, \$19,590 marries
Child Care Worker,
\$19,960, has 2 kids



What about “Very Low-Income” Families?

“Very Low-Income” = 30-50% of AMI =
\$22,444 - \$37,406 for family of 4

- **Construction Worker**, \$35,070 marries **Stay-at-home-mom (\$0)**, has 2 kids



- **Secretary**, \$33,270, single mom with 2 kids



Examples of “Extremely Low-Income” Families

“Extremely Low-Income” = 0-30% AMI =
\$0-\$22,444 for family of 4

- **Starbucks employee**, \$18,550, single mom with 2 kids



- **Janitor**, \$23,020, single dad with 2 kids



Examples of “Extremely Low-Income” Families

“Extremely Low-Income” = 0-30% AMI =
\$0-\$22,444 for family of 4



Disabled American,
living on SSI,
\$674/mo or
\$8,088/yr



Senior Couple,
living on Social
Security
Retirement
Benefits,
\$19,000/yr

33% of public housing residents are seniors

38% are disabled

Who lives in public and subsidized housing?

- Families making up to 80% AMI (\$59,850 for family of 4) are eligible for public housing
- 40% of public housing units are set-aside for extremely low-income families (making 30% AMI or below = <\$22,444 for family of four)
- Families pay a “sliding scale” rent based on 30% of their income

What type of rent do public housing residents pay?

Construction Worker, \$35,070



Rent:
\$876/mo.

Starbucks employee, \$18,550

Rent:
\$464/mo.



What type of rent do public housing residents pay?



Disabled American,
\$8,088/yr,

Rent: \$202/ mo.



Senior Couple,
\$19,000/yr in
Social Security,

Rent: \$475/ mo.

33% of public housing residents are seniors

38% are disabled

**What could Jefferson Park
have to offer to families who
need affordable housing?**

**Jefferson Park is an
“Opportunity Area”**

Sociologists look for
criteria that make it
less likely that a child
born into poverty
will stay in poverty

Opportunity Area Definition

- Above average prosperity
 - <20% poverty rate
- Mostly market rate housing stock
 - <5% existing subsidized housing

Transit access especially important to low-income families

- Most low-income families can't afford a car
- Many residents seeking subsidized housing are physically disabled and rely on transit systems because they actually can't drive

Equitable TOD

- ETOD is the idea that families of all different rungs on the economic ladder should have good access to our City's public transit system
- CHA's Plan for Transformation is the single greatest factor that housing growth near transit in Chicago has lagged behind the rates of other major cities

**Chicago Housing Authority
prioritizes investing its
(sizeable!) resources to
create affordable housing in
these “Opportunity
Areas”**

**How could deeply affordable
housing be created in
Jefferson Park?**

Set-Asides within Market Rate

- “Project Based Vouchers” allow private developers to create a small set-aside of units within a market rate development to serve low-income families on CHA’s waiting lists
- Owners receive a market rent from the CHA
- Tenants pay 30% of their income towards that rent
- Owners screen and select tenants

How are Moderate-income Families subsidized?



Mortgage Interest Deduction

Say this family buys a \$300,000 home

On their taxes, this family is eligible to receive over \$9,000 back in their tax return the first year they own the home, and \$148,000 back over the life of the loan

How are low-income families subsidized?

“HOME” Program provides down-payment assistance for families making up to 80% AMI (\$59,850 for family of 4) who seek to buy their own home



“HOME” Program and **“Low Income Housing Tax Credit” Programs** provide discounted rents for families making 50-60% AMI

Rent range depends on construction and land costs:

Rents for low-income units cannot go higher than...

\$842 per month for a 1 bedroom

\$1167 per month for a 2 bedroom

\$1302 per month for a 3 bedroom

\$1437 per month for a 4 bedroom

