

Column: Rents rise, supply drops — Chicago's affordable housing woes mount



A housing development emerges along Milwaukee Avenue across from popular restaurants and bars in the Logan Square, shown on April 23, 2019. (E. Jason Wambsgans/Chicago Tribune)



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Along Milwaukee Avenue around Logan Square, the change is easy to spot: Taquerias and two-flats are giving way to sleek apartment high-rises, ramen bars and boulangeries that serve the urban gentry.

Unease over gentrification, which has driven up rents and driven out longtime working-class residents, helped mayor-elect [Lori Lightfoot](#) win a landslide victory this month.

Now there is new evidence of the depth and breadth of Chicago's affordable housing problem — and the political challenge that Lightfoot and the City Council's enlarged contingent of left-leaning aldermen face in trying to solve it.

A new report from DePaul University's Institute for Housing Studies shows that a loss of affordable rental units is a growing challenge across the city. The loss is especially acute in Logan Square and other neighborhoods on the city's North and Northwest sides, the report says.

The findings come as one of the Council's left-leaning aldermen, the 35th ward's Carlos Ramirez-Rosa, will hold a community meeting Wednesday to discuss a nonprofit developer's plan for a seven-story, all-affordable building on what is now a city-owned surface parking lot next to the Chicago Transit Authority's Logan Square Blue Line station.

A neighborhood group has urged Ramirez-Rosa to delay approval to provide a chance for competing proposals to be considered.

While housing prices in Chicago remain lower than those on the coasts, the affordable housing issue remains politically charged, a legacy of decades of political maneuvering that separated black from white and segregated the very poor.

In a campaign position paper, Lightfoot argued: "For too long, Chicago city government has failed to provide the needed range of quality housing options, thus exacerbating homelessness and segregation, while undermining workforce stability and forcing low- and moderate-income Chicagoans from their neighborhoods and the city."

But achieving inclusive growth won't be easy. A plan for a seven-story affordable housing complex in Jefferson Park only won City Council approval last year after a bitter debate that prompted accusations of racism.

Titled "2019 State of Rental Housing in Cook County" and based on census data, the DePaul report split the city's 50 wards into 17 areas to create sets of data that would be large enough reveal overall patterns.

The report defines an affordable rental unit as one that would cost about \$940 a month, or about 30 percent of the monthly earnings of a low-income household that makes \$37,641 a year or less. Thirty percent is the generally accepted percentage of what a household should spend on housing.

Among the report's findings:

- The number of low-income renters in Chicago and suburban Cook County dropped from nearly 159,000 to about 130,000, a decline of 18 percent, from 2015 to 2017, but that doesn't mean that all former renters here have become homeowners or are no longer considered low-income.

The report attributes the decline in the number of renters to several factors: a cooling off of the rental housing market, which surged after the Great Recession and the Chicago area's ongoing population loss — census data released last week showed that region lost people for the fourth consecutive year.

- Despite the decline in demand for low-income rental units, an even steeper drop in the supply of such units has created an affordable housing shortage in growing sections of the city.

Between 2012-14 and 2015-17, the sharpest declines in the share of affordable housing units occurred in four areas of the North and Northwest sides: Logan Square and Avondale, Irving Park and Albany Park, Portage Park and Jefferson Park, and Lincoln Square and North Center.

In each, the share declined by more than 10 percent. Demolitions, conversions to owner-occupied units and rising rents all contributed to the loss, the report says. As a result of the reduced supply, many low-income households have been forced to pay higher rents.

- The number of apartments in buildings with two to four units, which make up a significant chunk of Chicago's rental housing stock, dropped by 14,000 between 2016 and 2017, though it was partly offset by a rise in the number of owner-occupied units in such buildings.

On the North and Northwest Sides, high-income households and developers are tearing down two- to four-unit buildings to construct million-dollar single family homes or large luxury apartment buildings.

“We see a lot of pressure on this component of the housing stock,” said Geoff Smith, the institute's executive director.

That pressure is especially evident in Logan Square, where luxury apartment buildings have popped up along Milwaukee Avenue since the 2015 opening of the nearby 606 bike and recreational trail.

In response, Bickerdike Redevelopment Corp., a veteran nonprofit developer, is proposing a seven-story building at the corner of Kedzie Avenue and Emmett Street. The site is a short walk from Logan Square's best-known landmark, a 68-foot-tall fluted marble column, topped by a sculpture of an eagle, that was chiefly designed by Henry Bacon, the architect of the Lincoln Memorial.

The affordable housing plan, designed by Chicago architects Landon Bone Baker, calls for a tiered building, probably faced in precast concrete, that would strive to fit in with its surroundings, which range from single-family houses to the new mid-rises along Milwaukee Avenue.

The new building would contain a total of 100 one-, two- and three-bedroom units for people earning 60 percent or less of the area median income, which was \$68,403 in 2017.

The building would have 4,500 square feet of commercial space set aside along Kedzie and 20 on-site parking spots, a relatively low number permitted by the city's transit-oriented development (TOD) ordinance.

That would put low-income residents near transit, in contrast to many TOD projects, which give high-income renters easy access to buses and trains.

Architect Peter Landon, of Landon Bone Baker, said the large number of affordable units is needed because small-scale renovations or new low-income housing developments that fill vacant lots don't meet the need.

“You just don't get enough units,” he said. “There's such a demand.”

The plan, which the developer says would be supported by funds from the Chicago Housing Authority, housing tax credits and tax-increment financing, is drawing criticism from a group that calls itself Logan Square Neighbors for Responsible Development.

“No one with this organization is against affordable housing on this site or anywhere else,” the group says on its Facebook page. But the group is urging Ramirez-Rosa to take an additional three to six months to consider competing proposals or refine the current design.

In a call to the Tribune Monday, Ramirez-Rosa stopped short of endorsing the Bickerdike proposal, but still termed it “excellent” and “well-balanced.”

On Tuesday, the alderman tweeted that the number of neighborhood organizations, congregations and small businesses supporting the plan had grown to more than 110.

Wednesday’s meeting will be held at the Logandale Middle School, 3212 W. George St., starting at 6:30 p.m.

It promises to the beginning of a long — and potentially hot — debate over how to make Chicago a city where growth benefits the teacher’s aide as well as the tech worker, the poor as well as the rich.

Here is a link to the report: <https://www.housingstudies.org/releases/state-rental-2019/>

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