

Affordable Housing: Key to Opportunity

Presentation to the Lake County Housing and Community
Development Committee

June 15, 2016



*Promoting policies to preserve and expand the range of
affordable housing opportunities throughout Lake County*

We All Know People Who Need Affordable Housing



Keshia's life changed dramatically when she and her two daughters became homeless unexpectedly. With nowhere to go, Keshia and her girls stayed at the PADS shelter for a few months. She was then able to move to a transitional housing program at the Mary Pat Maddex Place (renovated with Lake County HOME funds). Keshia seized her time there to get her life back on track. She landed a job she loves working for the Winnetka School District. Now, with Rapid Rehousing assistance from Catholic Charities, she has been able to move into her own rental apartment in Lake Bluff. The apartment building, owned by LCRDC, received Lake County HOME and AHP funds for rehab and a new sprinkler system required by the Village. "When someone has blessed you and helped you, it's your responsibility to give back," said Keshia passionately. She is grateful to all the organizations supporting her through her crisis and helping her family move into a permanent, stable home so that her daughters can attend excellent schools.

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After their daughter Kayla was born with cerebral palsy, Jackie and Rene had no choice but to live apart with their respective mothers so that their daughter could stay in the same school and receive much needed special services. But after saving for years, it was clear to them that they could not afford a home or a wheelchair accessible apartment that would allow them to be together as a family. Then they found CPAH and qualified to purchase an affordable home made possible with Lake County HOME funding. With the stability and feeling of permanence afforded by their home, the family is thriving and Kayla is now doing wonderfully, largely because she was able to stay in the same schools and continue to receive critical special services

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Nearly 20 years ago, the Arias family of 6 was living in an over-crowded 2-bedroom apartment. With the help of County HOME funds, the family purchased a home through Habitat in Waukegan. Both parents took classes to improve their English, found better jobs, and were actively involved in their neighborhood. One by one, their children completed high school and attended college, and are well on their way to successful adulthood.

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Despite everything they were doing to make ends meet after Leo lost his job, his family's situation became increasingly desperate. When they qualified to for an affordable rental apartment that would enable them to remain in their Highland Park community, "it was like the sun came out and our lives changed." With the stability that came from an affordable, safe place to live, Leo was able to secure full-time employment. And with their increase in income, they were able to buy an affordable home in Highland Park. Lake County HOME funds were pivotal in the creation of both the affordable rental unit and the affordable home

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Maria, a low-income single mother, lives in a small ranch house in Mundelein. Every time it rained, her basement filled with water and the main sewer line backed up sewage into her house. Thanks to an owner occupied rehab loan funded from Lake County CDBG dollars, AHC was able to work with Maria to fix the flooding, sewage backups and other life safety issues. Maria now has a healthy and safe home in which to raise her children.

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When Laurence's wife was struck with severe mental health issues, his family went from living the American dream to living a nightmare. Forced to abandon his thriving career for a job closer to home, Laurence took a job that allowed him to care for the couple's four children. But with mounting health care costs and underemployment, they soon lost their home and filed for bankruptcy. Then they found an affordable rental unit, funded in part with Lake County HOME dollars, that allowed them to remain in their community with their full support system. "Our...apartment truly is an anchor. Everything in our lives is built on this foundation. . . ."

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Despite long hours as a retail manager and a thrifty lifestyle, homeownership and saving for a down payment seemed an impossibility in expensive Lake County. But when Mekema's 10-year-old niece came to live with her, she was motivated as never before to find a nice home in a good school district. With funds from Lake County HOME, AHC was able to provide her with the financing and counseling she needed to realize her dreams.

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County's Affordable Housing Program a "Life-Line" to Lake County Family

"Jane's" world was devastated when her husband unexpectedly walked out on her and her three school-age children. Wanting to ensure continuity for her children within their community, Jane moved to two different rental units within the space of 6 months. Her ongoing effort to find a permanent affordable living situation in her community was completely frustrated until she found and qualified for an affordable townhome, made possible in part with funding from Lake County's AHP. With "a place to call home," reflected Jane, "a very dark time once again became light." Certainty and security replaced fear, giving her children the stability to cope and Jane the self-confidence to secure employment and get her family back on their feet. Now that her children are grown and she is preparing to leave the area, Jane feels tremendous hope that her home will be for the next owners what it was to her family—a wonderful, stable, affordable place to call home and in which to move forward.

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Occupation	Combined Median Wage¹ (% AMI)²	Affordable Home Price³	2015 Median Sales Price⁴	The Affordability Gap
Retail salesman/ Waitress	\$39,778 (60% AMI)	\$119,334	\$245,000	\$125,666
Janitor/ Home health aide	\$47,504 (60-80% AMI)	\$142,512	\$245,000	\$102,488
Paramedic/ Pre-school teacher	\$59,624 (80% AMI)	\$178,872	\$245,000	\$66,128
Fitness trainer/ Cashier	\$65,151 (80-100% AMI)	\$195,453	\$245,000	\$49,547

¹ Illinois Department of Employment Security, Occupational Wages for Lake County, 2014 Annual, Median Wage for Occupation

² HUD income limits for family of 4, effective June 1, 2015

³ Affordable home price based on 3 x income.

⁴ North Shore Barrington Board of Realtors MLS, single family detached sales for Lake County, 2015

Housing Is a Basic Human Need



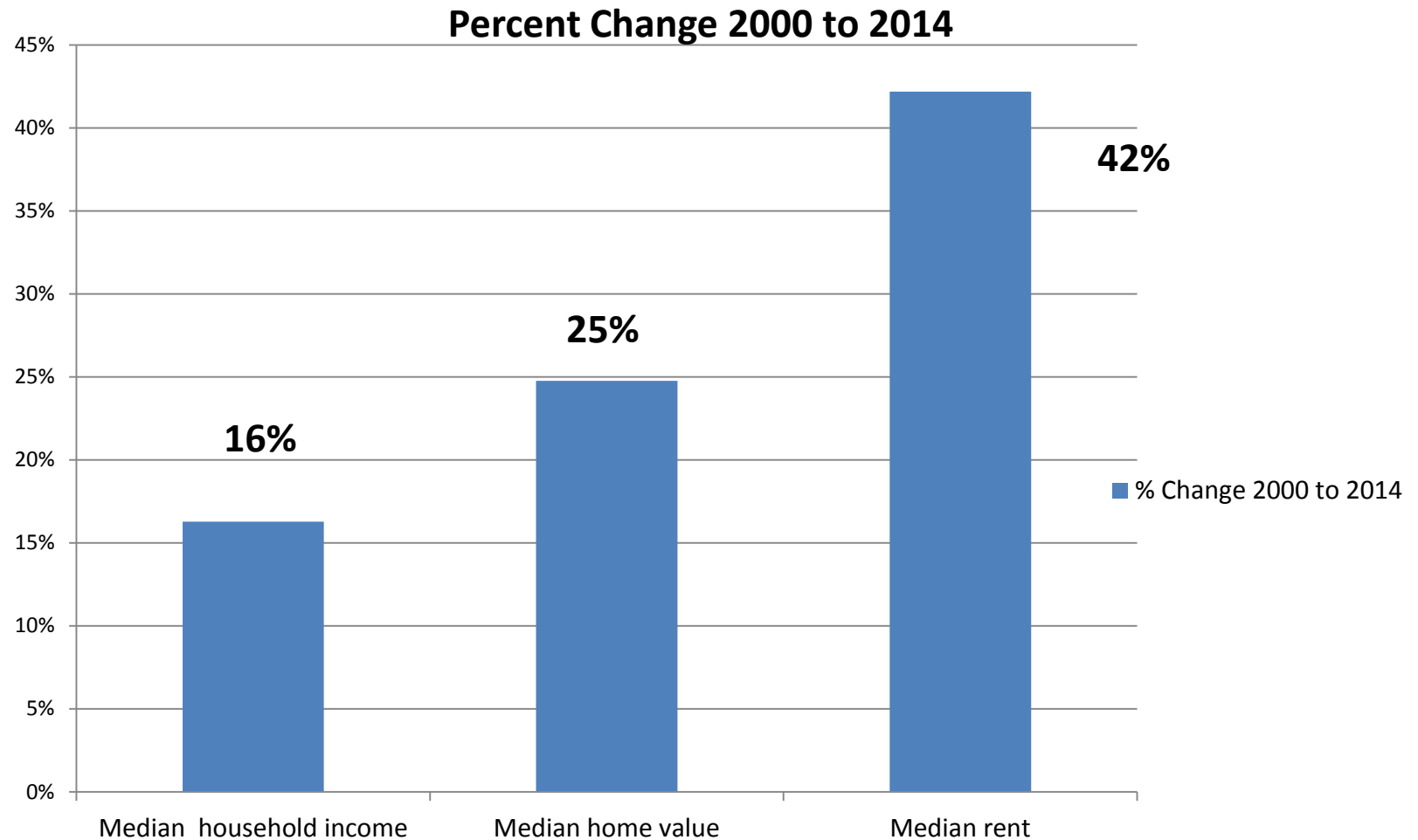
"Housing is the hub of opportunity in America. A home is more than a roof over one's head or a place to live; it is an access point into a school system, a neighborhood, parks and recreational facilities, safe environments, jobs, and grocery stores."

john a powell, "Moving (Both People and Housing) to Opportunity," *The Dream Revisited*, NYU Furman Center, May 2016



“[A]ffordability is by far the largest housing problem in Lake County.” (2015-19 Con Plan)

Housing Costs Are Increasing Faster than Income



Source: 2000 Census; 2010-2014 American Community Survey

“[A]ffordability is by far the largest housing problem in Lake County.” (2015-19 Con Plan)

- 1 in 3 homeowners pays more than 30% of their income in housing costs (2010-14 ACS)
- 1 in 2 renters pays more than 30% of their income in housing costs (2010-14 ACS)
- Nearly 1 of every 4 households is severely cost burdened, paying more than 50% of their income for housing (Social IMPACT Research Center's analysis of 2009-2013 ACS)

Lake County + Local Non-Profits = Win Win for Families & Communities

“A group like Community Partners for Affordable Housing can come in. They can bring a house back to life. They can bring a family back to that neighborhood. And they can really benefit the neighbors as well as the community at large.”

Nancy Rotering, Mayor, Highland Park

“Maintaining a high housing stock quality is part and parcel to maintaining a strong and attractive community. The Village of Mundelein sees first-hand the need for property rehabilitation services and is well aware that many residents do not have the financial resources to maintain a safe and healthy home. For homeowners in need, AHC is often the only option for affordable financing, and it also provides our inspectors with a referral resource as they are out in the community. . . .”

Mike Flynn, Assistant Village Administrator, Mundelein

“The Village of Round Lake Beach has many older homes that are in need of rehabilitation. Preserving these homes, and improving the quality of our housing stock, is a high priority for our Village. It is important to us that our seniors and others living on a modest budget not be deterred from making necessary repairs. . . . In addition to the acquisition, rehab and resale of 12 foreclosed and vacant units, AHC has rehabilitated 30 owner-occupied homes. Our residents, their neighborhoods, and the Village itself, all benefit from these very important programs.”

Dave Kilbane, Village Administrator, Round Lake Beach

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Before: Vacant, uninhabitable



After: LEED Certified, home for young family of four



Before: Vacant, tax delinquent, crack house, condemned, foreclosed



After: Affordable homes for 6 families, paid <\$26,000 in 2015 property taxes

Effective County Investment

Hyacinth Place, Highland Park: 10 homeownership units, 4 rental units

Permanent Financing Sources	Amount
IHDA Trust Fund Loan	\$ 450,000
IHDA Trust Fund Grant	\$ 125,000
Federal Home Loan Bank Affordable Housing Program	\$ 66,500
IL Affordable Housing Tax Credit	\$ 975,564
DCEO Energy Efficiency Grant	\$ 41,950
Highland Park Housing Trust Fund	\$ 423,798
IL Clean Energy Foundation	\$ 52,400
Sales Proceeds	\$2,163,623
Permanent Mortgage	\$ 194,442
Lake County HOME	\$ 210,000
TOTAL SOURCES	\$4,703,277

The City of Highland Park also donated the land valued at \$2,025,000.



LCHAC is a network of organizations, including affordable housing and social service providers, that promotes policies and programs to preserve and expand affordable housing opportunities to address housing needs throughout Lake County, from homelessness to homeownership.

Affordable Housing Corporation of Lake County
Alexian Brothers The Harbor
Catholic Charities
Christian Outreach of Lutherans
Community Partners for Affordable Housing
Habitat for Humanity Lake County
Housing Commission of Highland Park
Housing Trust of Lake Forest
Lake County Center for Independent Living
Lake County Coalition for the Homeless
Lake County Residential Development Corporation
Lake Forest Bank and Trust
Moraine Township
North Chicago VA Medical Center
PADS Crisis Services
Prairie State Legal Services
A Safe Place
Waukegan Township Staben House
Youth Build Lake County