



PHOTO: OLGA LOPEZ

LATINO PARTICIPATION IN THE CHICAGO HOUSING AUTHORITY

PUBLIC HOUSING AND HOUSING CHOICE VOUCHER PROGRAM

There is no question that the Chicago Housing Authority (CHA) has changed the face of government-supported housing by replacing dilapidated structures with appealing new mixed-income developments. Over the last decade, CHA has engaged in innovative approaches to support and manage affordable housing while aspiring to de-concentrate poverty and forge pathways into communities that are unaffordable to lower-income renters.

The CHA is now more than a decade into implementing the ambitious Plan for Transformation. The Plan's primary goal is to replace CHA's high-rise, low-income developments with new mixed-income



PHOTO: OLGA LOPEZ

housing. But for all of CHA's success in implementing the program, its progress in meeting the needs of Latino community is stagnant. Two of CHA's largest programs—Public Housing (PH) and Housing Choice Voucher (HCV) program, formerly known as the Section 8 housing program—fall short in connecting Latino families with affordable housing options (See Appendix).

Over the past year, the various members of the Latino Policy Forum's Housing Work Group, known as the Housing *Acuerdo* (*Acuerdo* is the Spanish word for 'agreement,' or 'accord') offer insight into

the difficulties Latino families face when attempting to access CHA services. Among various challenges, *Acuerdo* leadership cites CHA's insufficient internal infrastructure to implement and sustain effective outreach strategies in Latino communities; the need for CHA to respond to local housing market conditions—including strategically placing affordable units for low-to-moderate income Latino households in low crime high opportunity areas; and the lack of stakeholder input in development and redevelopment plans.

BACKGROUND: HOW ARE LATINOS FARING?

The Latino community bears the brunt of the negative consequences of our failing economy and shortage of quality affordable housing. The adverse impact of these two dynamics manifests itself in a variety of ways among Latino households. High rates of foreclosure top the list, with a large percentage of Latino borrowers having received predatory loans during the housing bubble. Many families, unable to keep up with these high-cost mortgages, have lost their homes and have either moved in with friends or family or turned to renting. But renters, in turn, are not faring any better, with unemployment and underemployment ravaging the construction and manufacturing industries that employ many Chi-

chicago-area Latinos. Families across the region are struggling to pay the rent—a significant phenomenon given that as many as 56.4 percent of Latino housing units in Chicago are occupied by renters.¹

Latino homeowners and renters across the country are grappling with housing and financial insecurity, but Latino families are particularly burdened in Chicago, a city with limited resources to alleviate its constant shortfall in the supply of affordable housing.

TRAJECTORY OF LATINOS IN CHA PROGRAMS

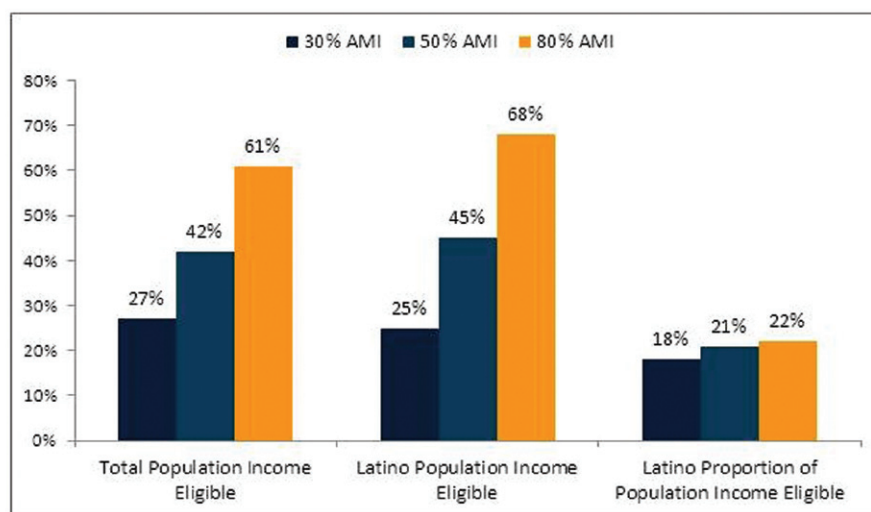
For about two decades, from 1970 to 1990, Latino participation rates in CHA programs were incredibly low, with Latinos comprising less than one percent of participants in PH and HCV programs.² In the mid-1990s, Latinos were only 2.7 percent of CHA recipients of housing programs although they constituted 33 percent of the eligible population. Today, Latinos in Chicago are still not accessing PH or HCV programs at a rate that is proportional to their needs.

To be income eligible for the HCV program or PH, a household income may not exceed 50 percent or 80 percent of the Area Media Income (AMI) respectively, notwithstanding other income eligibility criteria. The AMI is defined as the median

income amount of a given metropolitan statistical area—half of the area’s population less than the AMI; half earns more.

The AMI for a family of four in the Chicago-Joliet-Naperville region for 2012 is \$75,800 as published and adjusted by U.S. Department of Housing and Urban Development. To qualify for CHA programs, according to AMI threshold incomes levels, a four-member household

GRAPH 1: ESTIMATE OF INCOME ELIGIBLE HOUSEHOLDS FOR THE CITY OF CHICAGO PER AREA MEDIAN INCOME (AMI) THRESHOLD



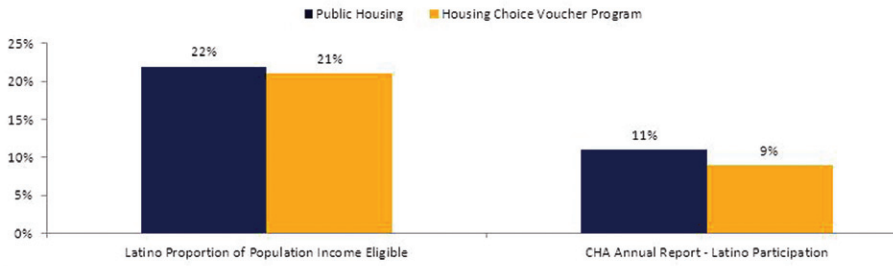
Income Thresholds	Total Population Income Eligible	Latino Population Income Eligible
30% AMI	274,110	49,812
50% AMI	432,767	90,483
80% AMI	625,182	137,205

SOURCE: LATINO POLICY FORUM ANALYSIS OF U.S. CENSUS BUREAU 2006-2010 AMERICAN COMMUNITY SURVEY 5-YEAR ESTIMATES.

¹ Latino Policy Forum analysis of U.S. Census Bureau 2009-2011 American Community Survey 3-Year Estimates

² Latinos United, History of the Lawsuit, 1.

GRAPH 2: ESTIMATE OF LATINO ELIGIBLE AND PARTICIPATION RATES FOR PUBLIC HOUSING AND HOUSING CHOICE VOUCHER



Program	Latino Participation	Income Eligible Latino Households (Notwithstanding other eligibility criteria)
Public Housing	2,422	137,205
Housing Choice Voucher Program	9,106	90,483

SOURCE: LATINO POLICY FORUM ANALYSIS OF U.S. CENSUS BUREAU 2006-2010 AMERICAN COMMUNITY SURVEY 5-YEAR ESTIMATES. LATINO PARTICIPATION RATE IS BASED ON DATA REPORTED BY CHICAGO HOUSING AUTHORITY FY2011 MOVING TO WORK ANNUAL REPORT – PLAN FOR TRANSFORMATION YEAR 12.

Methodology for estimating number of Latino income eligible households: Analysis of income eligible households does not account for housing tenure or household size. We used the distribution of household incomes for Latino and total population from the Census 5-year summary of the 2006-2010 American Community Survey (ACS) as our primary source of data. ACS Census provides information on the number of households by a series of income ranges. We then calculated the number of households reporting household incomes up to each area median income threshold of 30 percent, 50 percent and 80 percent as described in our narrative. Area median incomes guidelines are published annually by the United States Department of Housing and Urban Development (HUD) and list income limits by dollar amount and family size. We accessed HUD’s Income Limits Documentation System on-line at <http://www.huduser.org/portal/datasets/il.html> and used the summary for Cook County Illinois income limit for a 4 person household.

income generally may not exceed \$37,900 for the HCV program and \$60,650 for PH. By federal law, 75 percent of the HCV applicants must not exceed 50 percent AMI;³ in other words, for a household of four, the income limit is \$37,900. In the city of Chicago, 27 percent, 42 percent, and 61 percent of all households have incomes below each of the AMI thresholds (30 percent, 50 percent, and 80 percent AMIs, respectively). As Graph 1 illustrates, compared to the Chicago metro area, Latino families in Chicago are barely making ends meet with 25 percent, 45 percent, and 68 percent of all Latino households falling below each of the AMI

³ Chicago Housing Authority (2008), Amended and Restated Moving to Work Agreement, 2-3

thresholds, comprising 18 percent, 21 percent, and 22 percent of all incomes below these income limits. The bottom line is that approximately one-in-five Latino households is income eligible for PH and HCV programs (See Graph 1).

While approximately 22 percent of Latino families could qualify for CHA programs, CHA data shows that the approximate Latino participation rate is around just 10 percent in both the PH and HCV programs. Ultimately, Latinos are underrepresented in CHA affordable housing programs, while Latinos are overrepresented in terms of income eligible households (See Graph 2).

OPPORTUNITIES TO BETTER SERVE LATINOS

Latinos are one of the region’s fastest-growing communities, yet they have been distressed by current economic conditions and a lack of affordable housing options. CHA must develop a plan to effectively serve this growing community, and that plan might start with lessons learned from the Latino Consent Decrees, legally-binding court orders made with HUD and CHA in 1995 and 1996 respectively regarding the outreach and participation rates of Latino households in CHA programs. The Consent Decrees were part of the settlement of a class-action lawsuit that charged CHA and HUD with discrimination

against Latinos in Chicago's public housing programs.

But an effective plan to better serve Chicago's Latinos must not stop with the decade-old Latino Consent Decrees. In moving forward, the Latino Policy Forum Housing *Acuerdo* calls on CHA to consider the following steps:

- ❑ Increase the Latino participation to a fair and equitable rate to ensure a reasonable representation that is reflective of income-eligible Chicago Latino families in both the Public Housing and the Housing Choice Voucher Program.
- ❑ Bolster Latino-focused outreach efforts with a comprehensive, culturally and linguistically relevant marketing plan including a proportionate share of the marketing budget aimed for affirmatively marketing to the Latino community.
- ❑ Open additional Latino-friendly satellite offices in community areas, including areas where there is a large percentage of Latino households currently or there has been significant Latino population growth.
- ❑ Evaluate local community areas in which CHA developments exist to determine if there is an insufficient supply of affordable housing, and draft plans to

respond to local housing market conditions. This includes the Lathrop Homes in Chicago's Near Northwest Side, with virtually no affordable units for households at or below 30 percent and 50 percent AMI. Lathrop should be rehabbed and increase the number of Latino households that are within the extremely low and very low income thresholds.

- ❑ Ensure development and redevelopment plans include local organizations and stakeholder involvement by increasing and improving communication with the Latino community.
- ❑ Include plans for larger-size units in CHA housing to account for non-nuclear Latino family households.
- ❑ Review the demographic composition of CHA employees to ensure that staffs are reflective and adequately represented of Chicago's population. Latinos are 25 percent of the local workforce; employees of CHA should mirror this demographic.
- ❑ Maintain a representation of Latinos on CHA board of commissioners that closely mirrors the change in the Latino population to ensure that CHA leadership is reflecting of Chicago's diverse population. Chicago's Latino population grew by three



PHOTO: OLGA LOPEZ

percent over the past decade, despite an overall population decline.

MOVING FORWARD

Ensuring access to public benefits is a complicated process and requires a multifaceted approach. Latino households have acutely

felt the affordable housing crisis in Chicago. The Latino Policy Forum’s *Housing Acuerdo* review of Latino participation in the CHA’s PH and HCV programs suggests strategies targeting services to Latinos in order to make access to public housing services more equitable. The *Acuerdo* has engaged CHA senior leader-

APPENDIX

Latinos and Assisted Housing: From 2000 to 2011, Latino participation in two of CHA’s largest federally assisted programs has remained largely stagnant, hovering around 3,000 participants for Public Housing and anywhere from 5,000 to 11,000 for the Housing Choice Voucher program. However, the potential for Latinos to fully access the benefits of assisted housing is much higher: As many as 90,000 to 140,000 Latinos are income eligible for the Housing Choice Voucher program and Public Housing, respectively (not withstanding housing tenure, family size and other eligibility criteria). Figure 1 and Figure 2 below illustrate that this trend has not fluctuated for the past decade: Latino participation in both programs lags significantly behind the number of Latinos that comprise the total eligible population. What’s more, in Public Housing, Latinos are currently participating at a rate that is nearly 20 percent less than the rate in 2002, despite the recent economic hardships, foreclosures and population growth of Latinos in Chicago.

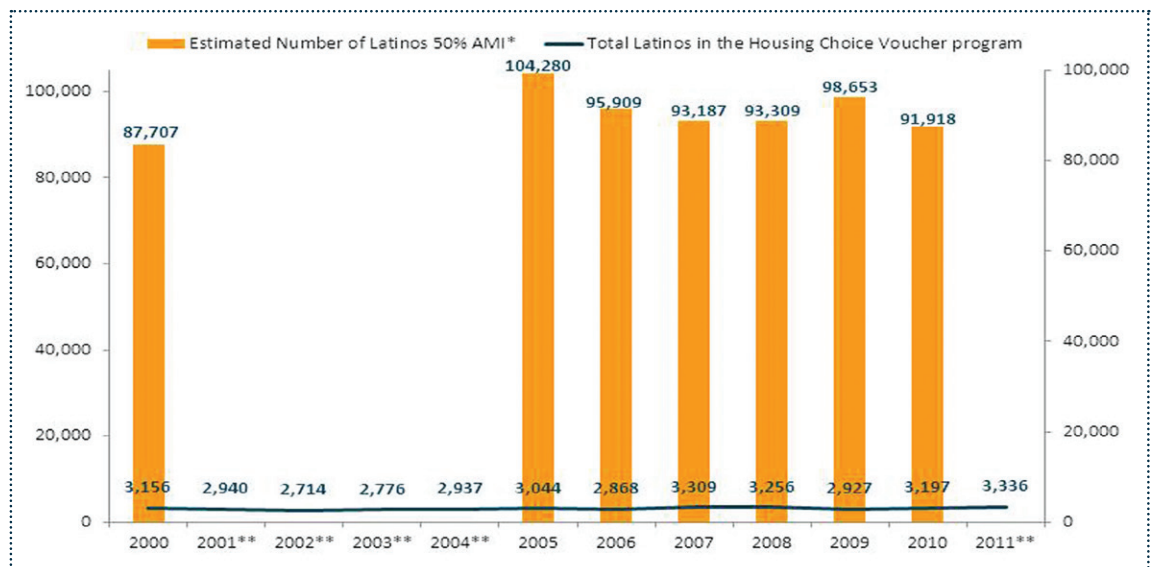


FIGURE 1: 2000 TO 2011 LATINO INCOME ELIGIBLE AND LATINO PARTICIPATION IN THE HOUSING CHOICE VOUCHER

ship in dialogue on these issues and appreciates CHA's open dialog and interest in serving the greater Chicago population including Latinos. The *Acuerdo* recognizes CHA's effort in affirmatively furthering its marketing, outreach and language access options for limited English speakers and other underserved populations.

Public housing—both by design and in practice—must serve all parts of Chicago's diverse public. ✨

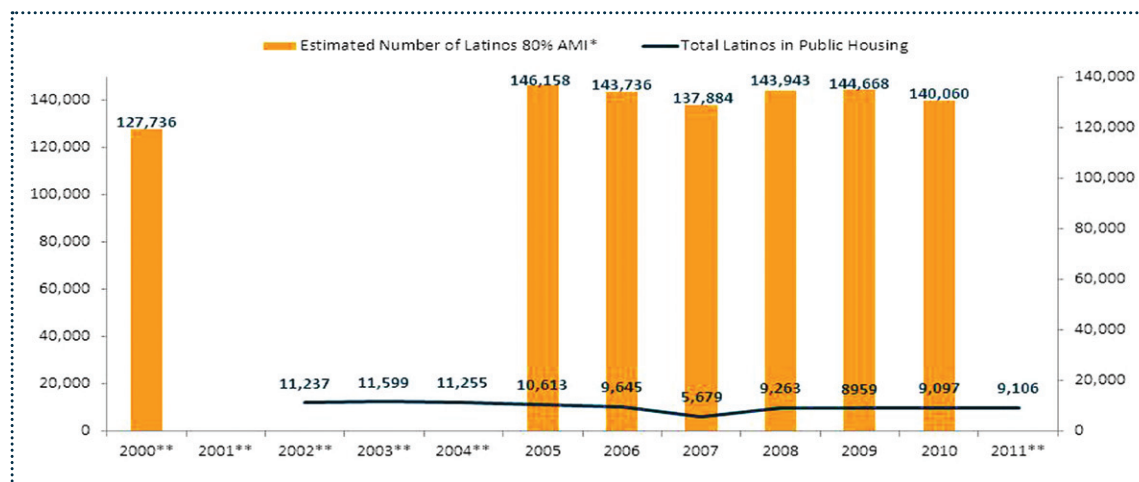


FIGURE 2: 2000 TO 2011 LATINO INCOME ELIGIBLE AND LATINO PARTICIPATION IN PUBLIC HOUSING

Source for Figure 1 and Figure 2: Latino Policy Forum analysis of U.S. Census Bureau 1 year American Community Survey from 2000 to 2010 and Chicago Housing Authority Annual Reports from 2000 to 2011.

* To be income eligible for the Housing Choice Voucher program or Public Housing, a household income may not exceed 50 percent or 80 percent of the Area Median Income (AMI), respectively. The AMI is defined as the median income amount of a given metropolitan statistical area -- half of the area's population earns less than the AMI; half earns more. AMIs are published annually by the United States Department of Housing and Urban Development.

** Data not available.

In the years prior to the housing crisis, homeownership was the primary vehicle for wealth accumulation amongst Latinos, making the foreclosure crises even more detrimental. In a July 2011 report, the Pew Research Center indicates Latino median wealth fell by 66 percent primarily due to decreasing home values. Foreclosure filings in the eleven Chicago wards with the highest Latino population exceeded 15,000 during the second half of 2011 based on Latino Policy Forum analysis of the Woodstock Institute foreclosure data. The Latino population in Chicago has increased by roughly 25,000 since 2000. More than half of Latinos are renters in Chicago and more than half of Latino renters are rent burdened, paying more than 30 percent their household income in rent.



ABOUT PODER

PODER is a series of periodic briefs that offers Latino-specific policy analysis to developments in housing, immigration, education, and other sectors, offering recommendations to promote equity and access for the Latino community and, in turn, enhancing opportunity for our society as a whole.

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