

on providing a safety net of services while the City of Chicago works to secure FEMA reimbursement, which may or may not materialize. These resources also include direct financial assistance to covered essentials like furniture, rent supplements, utility deposits and household startup.

The challenges were formidable—particularly for those whose homes were destroyed by the hurricane but still had a mortgage to pay. Some who initially received free or subsidized rent in the Chicago area with United Way support used their checks from the Federal Emergency Management Association (FEMA) to pay their mortgage obligations back in New Orleans. Not understanding that this violated FEMA policy, they found themselves cut off from future FEMA assistance. So United Way funded the hiring of advocacy resources to assist with navigating federal, state and municipal systems to secure benefits and to understand what they could and couldn't do with FEMA checks.

In addition, evacuees received legal help with more systemic issues. For example, for those who lived on third floor dwellings that were not eligible for standard reimbursement for flooding typically available to people living only in the first two stories of a building.

Whether caused by a crisis like Hurricane Katrina or by more chronic conditions, the need for affordable housing is an ongoing and critical need. As recent research shows, stable and affordable housing is key to reducing poverty by providing a firm foundation from which families can more easily find and keep jobs, attend to the health and education of their children, and move toward self-sufficiency.

# AFFORDABLE HOUSING



## AVAILABILITY AND QUALITY OF AFFORDABLE HOUSING A MAJOR PROBLEM

In spite of a soaring housing market across the United States, affordable housing remains out of reach for millions of working families. Nearly 30 million households in this country face significant housing burdens—whether paying too large a portion of their wages for housing, living in overcrowded conditions, residing in homes with severe physical limitations or struggling with a combination of these issues.

The situation facing residents in the Chicago area is similarly bleak. Nearly 50% of renters exceed a basic rule of thumb—don't spend more than one-third of your income on housing. Even worse, 25% of all the families in the region are so financially stretched because they are paying more than they can afford for housing and related

costs, which leaves them with little choice but to cut back on food, clothing, medical care and other expenses. As a result, they are often living in undesirable conditions—either multiple families living under one roof or families living in housing with no plumbing or heating.

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There is simply not enough affordable housing for the people who need it. In fact, the gap between the number of low-income households and the number of affordable housing units is the largest on record. Contributing to

the problem is the fact that the population in the Chicago area has been growing but simultaneously, the region has lost thousands of apartments.

## **PROBLEMATIC MISMATCH BETWEEN LOCATION OF HOUSING AND LOCATION OF JOBS**

Further compounding the issue, it is increasingly difficult for many workers to find reasonable housing near their jobs, according to the Metropolitan Planning Council. The resulting mismatch between the pockets of affordable housing and jobs for working families leads to long commutes and rising transportation costs.

Making matters worse, there is a lingering view that creating affordable housing close to jobs is “someone else’s responsibility” and that “jobs can be in my community but the housing should be someplace else.” The jobs-housing mismatch is a critical issue that has a direct impact on quality of life and forces parents to spend time away from the family and a significant portion of their household incomes on transportation.

The costs of transportation represent nearly 20 percent of a household’s budget, an unnecessary expenditure if affordable housing and available jobs were located more closely together. New housing prices in areas with the greatest job opportunities are out of the range of the working poor.

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So what does the situation look like for a family of four in the Chicago area earning wages at the poverty threshold of \$19,350 a year? The situation is pretty bleak if you do the math. Start with spending \$6,000 on rent (one-third of their wages). Add another \$4,000 to pay for transportation back and forth to work each year. That leaves the family with only \$9,350 to cover any of their other needs for the entire year—food and clothing, healthcare, utilities, taxes and other living essentials. It becomes easy to see how a family has difficulty making ends meet.

Lack of affordable housing has a ripple effect that extends beyond simply finding shelter. Families that cannot afford housing of their own may be forced to move frequently from the home of one friend or relative to that of another. While necessary to ensure continued shelter, such moves can interrupt work schedules and jeopardize employment—further putting a family at risk.

## **GOVERNMENT ASSISTANCE UNATTAINABLE FOR MANY**

Despite the broad shadow that affordable housing casts across the nation, assistance from the federal government has done little to ease the problem. In fact, most of the federal government’s housing subsidies fail to benefit the poor. As opposed to a focus on renters, which comprise one-third of the nation, the main thrust of U.S. housing policy has shifted dramatically in favor of homeownership assistance—a laudable goal that unfortunately, has left many in need of affordable housing without any aid.

Among the 30 million households nationwide who need assistance with affordable housing, only half of them—or 14.5 million households—qualify for government aid. Even then, just a small fraction of those eligible for housing assistance, 4.1 million households, actually receive it. In fact, an assessment by the General Accounting Office found that in all the years since federal housing assistance programs began, not once has the federal government provided aid to all those who qualified.

## **UNITED WAY TAKES MULTI-FACETED APPROACH TO ADDRESS NEED FOR AFFORDABLE HOUSING**

As the cost of housing increases, support services need to be put into place to ensure that people move into permanent rather than temporary residences. United Way of Metropolitan Chicago finds resolutions on a number of fronts. First, United Way funds programs that help people locate affordable housing and understand the financial implications of home ownership: what they can afford, how to create a budget, what it takes to get a mortgage, for example. Another critical area United Way supports is legal assistance for those who are denied access to housing and to help them keep their homes once they have obtained one.

All aspects of this support came into play when United Way spearheaded the Crisis Recovery Program for Hurricane Katrina evacuees. This collaborative initiative provided case management and linked evacuees to essential health and human services as they made the transition from rescue to full recovery. The program is currently providing support to more than 800 households, or 2,500 evacuees now settled throughout the Chicago area. In all, 42% of evacuees who sought assistance through this collaboration are in permanent housing, and an additional 32% are in stable housing with family members and friends. The focus has been