

# **Housing Trends and the Geography of Race, Poverty, and Neighborhood Renewal**

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## **The Regional Rental Market Analysis Project Overview**

*Housing Trends and the Geography of Race, Poverty, and Neighborhood Renewal* is one of seven technical reports of the Regional Rental Market Analysis (RRMA), a broad examination of metropolitan Chicago's residential rental market. The RRMA contains a wide range of information necessary to craft innovative policies, programs, and investment strategies to address the future of the region's housing market. The Metropolitan Planning Council, serving as project manager, contracted with the University of Illinois at Chicago (UIC) to undertake this research with the Washington, DC-based Urban Institute and the local Applied Real Estate Analysis.

Key findings from all seven reports are summarized in *For Rent: Housing Options in the Chicago Region*, which includes a synthesis of supply and demand data, discussion of overlap and differences among providers and consumers, information about neighborhood trends, and forecasts of the rental market in 2004 and 2009. Detailed descriptions of the contents and methodology used in each of the seven technical reports are provided below.

1. ***Metropolitan Chicago Regional Rental Market Analysis: Rental Housing Supply Survey Report*** by Timothy P. Johnson, Martine A. Sagun, Jonathan Dombrow, Jin Man Lee, and Young Ik Cho, Survey Research Laboratory, UIC.

Summary of findings from survey of a stratified random sample of rental properties in the six-county region that asked for information on number of units (occupied and vacant); rents charged in 1998, 1999 and for new tenants; amenities included in housing cost; year building constructed; whether it contained an elevator; and if there was management on-site. Using tax assessor data from each of the counties, a universe of all residential properties was sorted by the likelihood of being renter- or owner-occupied based on tax status and other indicators. This list was further sorted by building type (single-family, small multifamily, large multifamily).

From this database, a sample of 29,000 properties was randomly selected but stratified based on building type and location, and mailed or faxed questionnaires, contacted by telephone, or some combination of all three methods between April and July of 1999. In addition, a non-response survey of 300 randomly selected properties was conducted in July and August 1999 to verify results from respondents and further clarify the eligibility rate of properties in the sample frame. At the close of data collection, 1,852 interviews were completed representing over 45,000 units in the six county area. The final response rate of 14.1 percent was based on an overall eligibility rate of 45.1 percent.

2. ***Condition Survey: Chicago Regional Rental Market Analysis*** by Robert Miller, Applied Real Estate Analysis, Inc.

Survey of over 1,600 properties in the six-county region drawn from the survey sample during May of 1999. Properties were randomly selected to represent housing in three areas: City of Chicago, suburban Cook County and the collar counties (Kane, McHenry, Lake, DuPage and Will). Trained fieldworkers using a questionnaire completed a visual inspection and assessment of building exteriors and surrounding neighborhoods, to assess overall housing quality and wheelchair accessibility.

3. ***Estimating Demand for Affordable Rental Housing in the Chicago Region*** by Janet L. Smith and Barbara Sherry, Urban Planning and Policy Program, UIC.

Estimates of aggregate households--families, individual adults, or non-related persons living together--at different income levels to determine potential rental housing demand based on affordability (paying no more than 30 percent of income toward housing costs) using household income projections from Claritas for the six-county region and each county. Data from the 1995 American Housing Survey was used to estimate the number and rate of households paying more than 30 percent of income for rent, living in overcrowded conditions, or in substandard housing. Additional data was collected and analyzed to learn more about the specific needs of different "demand groups" including persons who are homeless; who need accessible housing due to mobility limitations; who are may be in need of affordable rental housing closer to work and employment opportunities; and who are likely to be affected by changes in Section 8, public housing and/or welfare. A wide variety of new and existing data sets are analyzed.

4. ***Providing Rental Housing in the Chicago Region: Challenges and Issues*** by Thomas J. Lenz and James Coles, Great Cities Institute, UIC.

Review of general literature of what is known nationally and locally about barriers and opportunities to provide rental housing, utilizing interviews with more than 40 key informants and five focus groups representing landlords, developers, public officials, and other experts on housing in the region. Focus group participants were selected randomly from the larger sample developed for the rental property survey and through outreach to rental property owner associations. The participants were stratified by their involvement in the Section 8 program and rents charged. Specific areas of focus included perceptions of the rental market and how it has changed in recent years; how the current market shapes landlord behavior; general attitudes toward lower-income renters; and specific knowledge of and experience with the Section 8 rent subsidy program.

5. ***Searching for Rental Housing in the Chicago Region*** by Susan J. Popkin and Mary K. Cunningham, The Urban Institute.

Review of general literature of what is known locally about barriers and opportunities to renting housing. Focus groups with families likely to be affected by public policy changes were used to hear about the experiences and perceptions of low-income renters. Participants included households renting apartments using Section 8 housing vouchers, families that tried to use but returned Section 8 vouchers, families currently on the waiting list for a voucher, and current Chicago Housing Authority (CHA) tenants likely to move into the private market using a voucher. The groups discussed current living conditions, understanding of and experience with the Section 8 program, their search process, and any difficulties they have encountered. CHA residents were also asked about their knowledge of CHA's redevelopment plans, their preferences for future housing, and familiarity with the Section 8 program.

6. ***Forecasts of the Rental Housing Market in Metropolitan Chicago: Model and Preliminary Results*** by John F. McDonald and Daniel P. McMillen, Center for Urban Real Estate, College of Business Administration, UIC.

Modeling exercise that presents likely vacancy rates and rental variation for 2004 and 2009. Estimates are also produced based on different scenarios regarding the number and likely destination choice of CHA tenants expected to relocate within the private rental market.

7. ***Housing Trends and the Geography of Race, Poverty, and Neighborhood Renewal*** by Thomas J. Lenz and James Coles, Great Cities Institute, UIC.

Description of current patterns of racial segregation and poverty concentration in Cook County, which has most of the area's rental stock (79%), and analysis of socio-economic and investment data using maps with input from key informants in order to determine revitalizing areas. This report also explores different scenarios on how residents relocating from CHA units being redeveloped, whether permanently or temporarily, might affect existing neighborhood patterns and local housing markets.

The project was funded by numerous private and public sources, including the Chicago Department of Housing, Chicago Housing Authority, Chicago Community Trust, Field Foundation of Illinois, Inc., Lloyd A. Fry Foundation, GATX Corporation, Illinois Housing Development Authority, Bowman C. Lingle Trust, The John D. and Catherine T. MacArthur Foundation, Old Kent Bank, U.S. Department of Housing and Urban Development, Woods Fund of Chicago

For more information about the Regional Rental Market Analysis or to request or download copies of the executive summary or of a technical report, contact:

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## I. Executive Summary

This report provides an overview of current patterns of racial segregation, poverty concentration and neighborhood renewal in the Chicago region. It also considers the impact the tight rental housing market and pending Chicago Housing Authority (CHA) policy changes will have on neighborhoods and towns in the metropolitan area.

The Chicago region has been characterized by extreme racial segregation for decades. African Americans continue to live apart from whites and other races in a pattern that has been called “hypersegregation.” Despite the movement of blacks into some majority white neighborhoods and suburbs, the overall distribution of African Americans has changed little since 1990. In fact, the resegregation of white communities into African American ones continues on the city’s south side and in the southern suburbs.

The Latino population is growing regionwide and has become concentrated in some parts of Chicago. But in general, the rates of concentration for Latinos are much lower and the access to majority white areas is much greater than for African Americans.

That Chicago is in the midst of a construction boom is beyond dispute. Whether this real estate activity is leading to “revitalized” neighborhoods is more difficult to determine. However, recent data and key informant interviews suggest that four areas of Chicago are indeed undergoing significant demographic and physical changes:

- **North lakefront** communities like Edgewater, Uptown, and Rogers Park.
- **Northwest** neighborhoods, such as Westtown, Humboldt Park and Logan Square.
- The areas immediately **south and west of the Loop**, including east Pilsen.
- **South side** neighborhoods adjacent to Hyde Park (North Kenwood and Woodlawn) and south of McCormick Place (Grand Boulevard).

Beyond these dozen revitalizing neighborhoods, other communities continue to struggle. Absent from the list of neighborhoods on the upswing are Austin, South Shore and Lawndale, all of which have received significant infusions of public and private investment but which continue to be dogged by concentrated poverty, softer real estate markets, and pockets of decay.

A similar story can be told in suburban Cook County. While many “hot” suburbs in the north, west, and northwest of the county continue to attract residents and remake their downtowns, many of the suburbs in the south of Cook County are experiencing weak real estate markets and increasing poverty levels.

Over the next five to ten years, what forces will shape these communities? The second part of the report considers the likely impact of the tightening rental market and the CHA’s plans to redevelop its public housing.

Recent survey data collected for this project show the strength of the rental market in northeastern Illinois. Within the aggregated figures, geographic patterns are discernable. The north side of Chicago exhibits some of the highest average rents in the region.<sup>1</sup> In this part of the region, very little rental housing has been added to the stock, even as condo conversions have reduced the number of apartments. This area, together with the neighborhoods adjacent to the Loop, is increasingly the “Manhattan” of Chicago, an area of high rents, attractive shops and desirable real estate.

As might be expected, this area is also experiencing the highest rent increases and accompanying displacement of lower income residents. Observers suggest that the elderly, lower-income families, immigrants, and residents of subsidized housing that can be converted to market-rate housing are all likely to face an up-hill battle to remain in these neighborhoods.

Rental markets in the south and west parts of the city, while tighter than in the past, are not exhibiting the same vacancy and rent levels as the north side. While market conditions are better, there are still concerns about softness in the real estate market and about the viability of multi-family buildings renovated using the federal Low-Income Housing Tax Credit.

Into this diverse, regional rental market, the CHA expects to relocate roughly 6,000 families equipped with Section 8 rental vouchers.<sup>2</sup> Where will they end up? Research suggests that the best predictor of where new Section 8 tenants will move is where past Section 8 tenants have moved. If the past is indeed prologue one can assume that Chicago’s south and west sides, together with the suburbs of southern Cook County, will be the new homes of most of the CHA families.

If this happens, the majority of CHA’s households will locate in the vulnerable neighborhoods described above: Communities with large stocks of apartment buildings and neighborhoods with weak for-sale housing markets. While the economic forecasts completed for this project suggest a short term tightening of the rental markets in those neighborhoods, the longer-term effects of this scenario are troubling.

A “status quo” approach to relocation, in which CHA families move where Section 8 tenants already live, will undoubtedly further poverty concentration and racial segregation in the region. While it may negatively impact only a handful of currently revitalizing neighborhoods (notably Rogers Park, Woodlawn, and Grand Boulevard), it could potentially destabilize further a host of neighborhoods in Chicago and the southern suburbs.

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<sup>1</sup> Data were collected for three zones in the city. The north zone actually includes much of the northwestern portion of the city as well.

<sup>2</sup> As this report was being completed, HUD merged the Section 8 certificate and voucher programs into a single “Housing Choice Voucher” program. In this report, we refer to the Section 8 program, the title of the rent subsidies at the time of our research.

It does not have to be this way. With proper counseling, Section 8 reforms, outreach to landlords and fair housing enforcement, something like the “opportunity” distribution described in the report could be achieved. Under this scenario, relocating tenants would access housing based on the current distribution of affordable apartments in Cook County. Further concentrations of poverty could be avoided and CHA tenants could gain access to areas with better schools and employment prospects.

## II. Introduction

The rental market and housing policy changes described in other sections of the Regional Rental Market Analysis play themselves out on the particular geography of metropolitan Chicago.<sup>3</sup> This report's purpose is to explore the likely impacts of market trends and policy decisions on the region's neighborhoods and towns. More specifically, the report provides an overview of existing conditions in Cook County in general and Chicago in particular, and the impact the tight rental market and public housing policy changes is likely to have on these areas.<sup>4</sup>

This report is a preliminary look, not a definitive statement; a sketch, not a detailed drawing. Given the funding and time constraints involved, it was not possible to undertake an in-depth examination of trends in each town in the County using current data. Instead, we have tried to paint with broad strokes a picture that might lead to further research on specific areas and specific research questions.

To generate this report we used three main sources:

1. Existing research on poverty, race, and Section 8;
2. Updated demographic data from Claritas, as well as other data on investment patterns, rental housing, and Section 8; and
3. Key informant interviews with 15 people knowledgeable about revitalization and housing issues in Chicago.<sup>5</sup>

The next section describes the incidence and location of poverty, current settlement patterns of African Americans and Latinos, and evidence of neighborhood revitalization in Chicago. Section IV explores how the private market and public policies are likely to impact neighborhoods in Chicago and, to a lesser extent, cities and towns in Cook County.

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<sup>3</sup> Additional perspectives on regional revitalization and issues of economic equity can be found in *Preparing Metropolitan Chicago for the Twenty-first Century* published by Chicago Metropolis 2020 and *Making the Case for Regional Cooperation* published by the Metropolitan Planning Council.

<sup>4</sup> Cook County is the area of analysis because it has the greatest share of the region's rental housing, the majority of the area's minority population, and the biggest concentrations of poverty. In addition, the city of Chicago is home to several formerly deteriorated neighborhoods that are now experiencing revitalization. Finally, the overwhelming majority of CHA tenants who receive housing vouchers are expected to move within Cook County.

<sup>5</sup> We also reviewed a number of recent press stories on revitalization. The Methodology section at the conclusion of the report explains the research approach in greater detail.

### III. The Existing Geography of Race, Poverty, and Neighborhood Renewal

Chicago has been a racially-divided city for most of this century. The emergence of neighborhoods with high concentrations of poverty has been a phenomenon of the last thirty years. Segregation and economic deprivation have resulted in wide sections of the city being isolated, crime-filled, and deteriorated. This pattern has also begun to be visible in the inner ring suburbs, particularly in parts of western and southern Cook County.<sup>6</sup>

In the last decade, some of this deterioration has begun to be reversed in some neighborhoods. This section examines the current ethnic and income composition of Chicago's neighborhoods and Cook County's towns. It also explores the location and extent of neighborhood renewal activities in Chicago.

#### *Poverty*

The 1993 report "A Profile of Chicago's Poverty and Related Conditions" by Rebecca London and Deborah Puntteney described just how concentrated poverty has become in the U.S. and in Chicago.<sup>7</sup>

The study used census data from the last several decades to describe the changing nature of poverty in the city. Among their key findings was that the poverty rate in Chicago has increased from 14.5% in 1970 to 21.6% in 1990. This increase of 7.1% occurred during a time when the poverty rate for the nation as whole increased by less than one percent, from 12.6% to 13.5%.<sup>8</sup>

The researchers also noted that poverty in Chicago has become increasingly concentrated in a number of community areas. In 1990, 12 Chicago community areas had poverty rates of 40% or more; another seven had rates exceeding 30%. While these high poverty neighborhoods were generally on the City's south and west sides, Uptown, Humboldt Park, and West Town also had rates exceeding 30%.<sup>9</sup>

The report concluded by noting the significance of this increasing concentration of poverty:

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<sup>6</sup> The term "inner ring suburb" refers to those suburban municipalities adjacent to the city of Chicago, many of which were built up several decades ago, and which are now beginning to experience limited tax revenue growth and increasing social service needs.

<sup>7</sup> The Census Bureau establishes income thresholds that vary by family size and composition to detect who is in poverty. A family is considered to be in poverty if its total income is less than that threshold. The official poverty definition counts money income before taxes and excludes capital gains and non cash benefits, including public housing Medicaid and food stamps. The poverty threshold is updated annually for inflation with the Consumer Price Index (CPI) and does not vary geographically. The most current year for which a threshold has been determined is 1998, when the poverty line was \$16,500 for a family of four. This is about 25% of the 1999 Chicago area median income of \$63,800 for a family of four.

<sup>8</sup> London and Puntteney, 1993, p. 7.

<sup>9</sup> London and Puntteney, 1993, p. 13, 14.

*One of the most important facts about poverty in Chicago is that it is very unevenly distributed across community areas. Those areas with high poverty are to some extent clustered together, creating large areas with highly disadvantaged populations. While many communities have higher-than-usual rates for some of the characteristics associated with poverty, the most seriously disadvantaged communities exhibit high rates for most of these traits; in other words, the risk factors associated with poverty have accumulated in these communities.<sup>10</sup>*

A review of current estimates of poverty suggests little has changed from the 1990 census.<sup>11</sup> Map 1 shows the estimated percentage of households below poverty for each census tract in Cook County in 1999. The maps shows that Chicago is still characterized by broad swaths of extreme poverty (poverty rates exceeding 30%) on the west and south sides. What is more, despite a decade of economic growth, poverty rates in many census tracts in the city and inner ring suburbs appear to have increased.

While the Claritas data are preliminary, it appears Austin, Rogers Park, and South Shore all have new census tracts with poverty rates exceeding 30%. In addition, the map shows a general “filling in” of poverty rates of 10 to 30% in the south and southwest sides.

The inner ring suburbs are also showing increasing numbers of poverty census tracts.<sup>12</sup> New high-poverty areas have emerged in Maywood and in a number of southern Cook suburbs. And several towns have increased poverty in the 10 to 30% range, notably Evanston, Morton Grove, and Oak Park.

Poverty appears to have decreased somewhat in two areas of the city: The West Loop and Westtown neighborhoods. This is consistent with patterns of revitalization discussed below.

### ***Racial Segregation***

In American Apartheid, Douglas Massey and Nancy Denton characterize Chicago and fifteen other metropolitan areas as “hypersegregated.” The authors review five separate dimensions of racial segregation.<sup>13</sup> Based on their examination of the five indices, Massey and Denton conclude

*Not only are blacks more segregated than other groups on any single dimension of segregation, but they are also more segregated on all dimensions simultaneously; and in an important subset of U.S.*

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<sup>10</sup> London and Puntteney, 1993, p. 14.

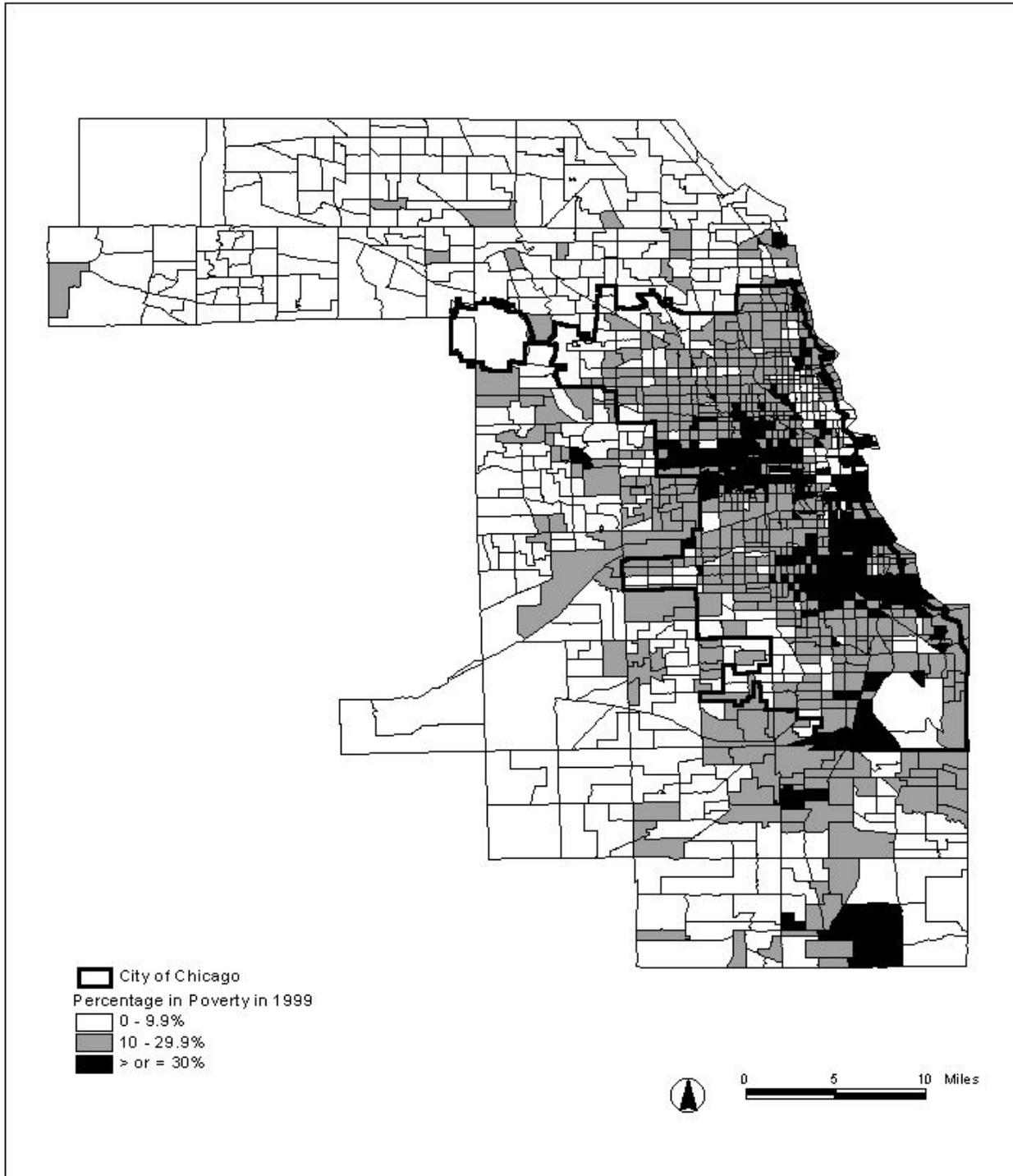
<sup>11</sup> The section on Methodology includes a discussion of Claritas data used for the analysis.

<sup>12</sup> “Poverty census tracts” means those tracts with poverty rates exceeding 30%.

<sup>13</sup> The five dimensions are unevenness of distribution, isolation from whites, clustered neighborhoods, populations concentrated in small areas, and populations centralized around an urban core.

# Map 1

## Percentage of Households Below Poverty Level, 1999 By Census Tract, Cook County



Sources: 1999 Housing Counts--Claritas 1999 Database/1990 Census

*metropolitan areas, they are very highly segregated on at least four of the five dimensions at once, a pattern we call hypersegregation.*<sup>14</sup>

Consider just the first of these measures, the index of black-white dissimilarity. According to Massey and Denton, “(t)his measure of segregation gives the percentage of all blacks who would have to move to achieve an even, or integrated, residential configuration – one where each census tract replicates the racial composition of the metropolitan area as a whole.”

In 1990, fully 85.8 percent of Chicago’s black population would need to move in order to achieve a roughly integrated pattern of settlement. This is above the average for northern cities (77.8%) and well above the rates of many southern cities. Unfortunately, Chicago scores highly on the other four indices of segregation as well, leading to its identification as one of sixteen hypersegregated regions in 1990.<sup>15</sup>

Massey and Denton acknowledge that there is some, albeit slow, change underway. For example, the Chicago black-white dissimilarity index was 91.9% in 1970 and 87.8% in 1980, a decline of less than seven percent in 20 years.<sup>16</sup>

More recent data and research have confirmed Chicago’s status as a highly segregated region. Map 2 shows the current distribution of African Americans in Cook County based upon Claritas data.<sup>17</sup> A 1999 Woodstock Institute study found that African American home buying in the region is increasingly concentrated in predominately African American neighborhoods. According to the study:

*Due to segregated housing markets, African-American buyers are moving into predominately African American neighborhoods at a substantially higher rate than in the early 1990s. Moreover, many neighborhoods have transitioned from integrated to segregated home buying. . . . African-American home buying is disproportionately concentrated on the city’s far west side, far south side, a cluster of western Cook county suburbs, and in parts of southern Cook County, east of I-57.*<sup>18</sup>

While concentrations of Latinos do exist on Chicago’s northwest and southwest sides, in general Chicago’s Latino population is more evenly distributed throughout the metropolitan region.<sup>19</sup> In fact, the 1999 Claritas data includes scores of census tracts in the suburbs of Cook County with Latino populations in the 5% to 19.9% range. Some scholars attribute this more dispersed pattern of

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<sup>14</sup> Massey and Denton, 1993, p. 74.

<sup>15</sup> Massey and Denton, 1993, p. 75.

<sup>16</sup> Massey and Denton, 1993, p. 222.

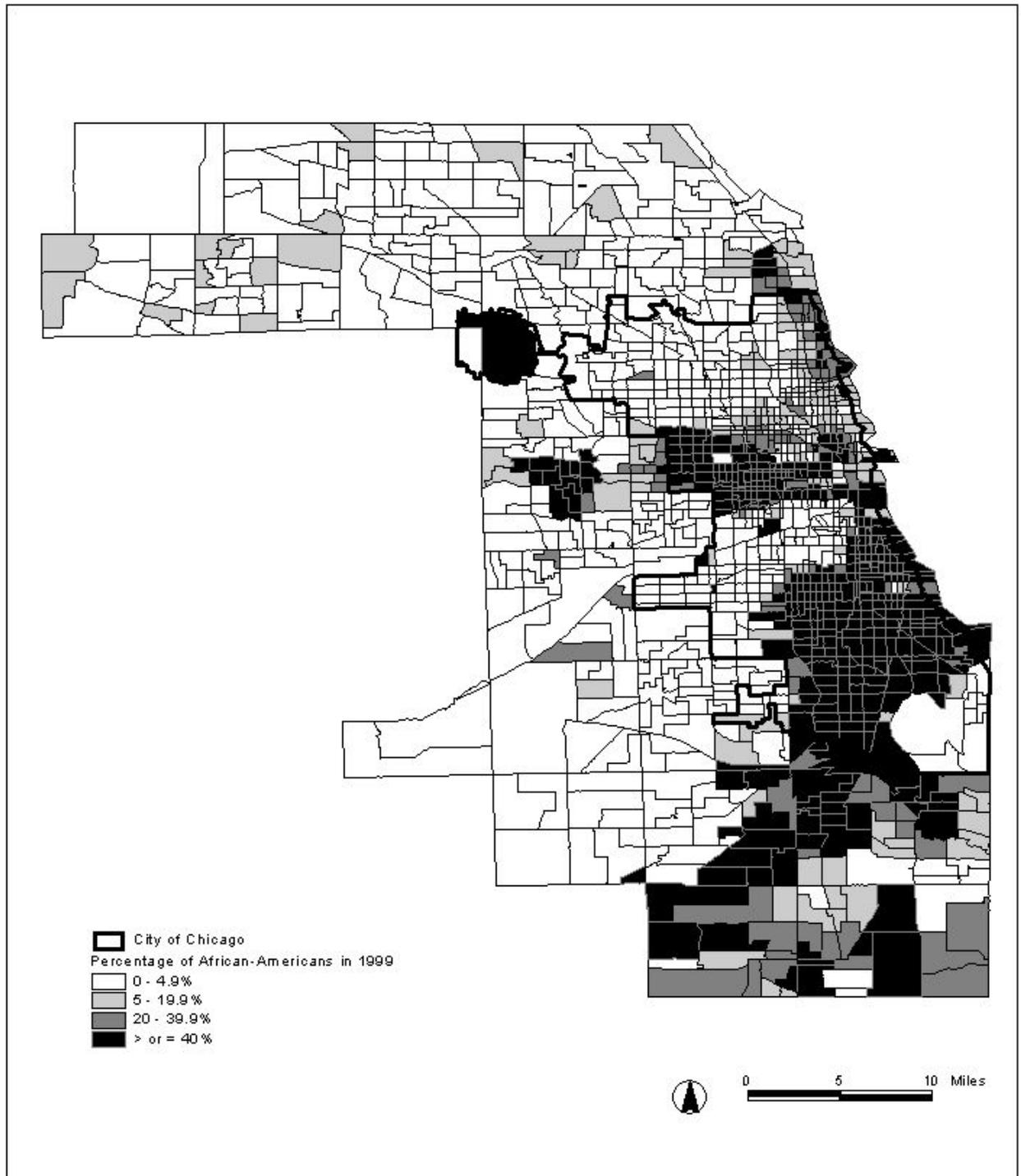
<sup>17</sup> Claritas data is described briefly in the Methodology section.

<sup>18</sup> Immergluck, 1999, p. ii.

<sup>19</sup> Other minority groups, such as Native Americans and Asians, were not included in this research because their representation in the region is small.

## Map 2

### Percentage of Residents that are African-American, 1999 By Census Tract, Cook County



Sources: Claritas 1999 Database/1990 Census.

settlement to historically lower levels of housing discrimination against Latinos and continual in-migration of Latino households.<sup>20</sup>

Conversations with key informants suggest that the widely reported redevelopment activities in several Chicago neighborhoods are not changing racial patterns in the affected communities. Most of the revitalization that is occurring involves people of the same ethnic background with more money moving into the neighborhood. This is particularly true in African American neighborhoods.

The exception to the rule appears to be Latino neighborhoods, particularly those on the northwest side. Westtown, Bucktown, and Wicker Park were all mentioned as neighborhoods with declining Latino populations and rising white populations. Racially diverse north side neighborhoods, such as Uptown and Rogers Park were also said to be becoming slightly less diverse and more white. The same was said by some of Logan Square.

Finally, two informants noted the changing racial composition of neighborhoods on Chicago's southwest side. This includes more Latinos moving into the closer-in southwest side communities and more African Americans moving further west in the Chicago Lawn and Ashburn neighborhoods.

### ***Neighborhood Renewal***

Anyone living in Chicago during the last five years can attest to the profound physical changes underway in many neighborhoods. Scarcely a week goes by without news of another residential development in the vicinity of the Loop or in a "hot" neighborhood.<sup>21</sup>

Terms like "redeveloping" and "revitalizing" are routinely used without agreement as to their meaning. This lack of precision makes the job of identifying which neighborhoods are experiencing significant changes in their local real estate markets and demographic composition more complex.

To explore the emerging patterns of neighborhood renewal in Chicago, we consulted with 15 people whose daily work involves interaction with the real estate development community or local tenants. We asked them to describe in their own words what constitutes revitalization and which communities, by their definition, are revitalizing. There was broad agreement on four principal aspects of revitalization – and a good deal of consensus on which neighborhoods exhibit these characteristics.

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<sup>20</sup> Udayakumar, 1999. p. 31.

<sup>21</sup> Even the New York Times in a recent real estate supplement devoted several pages to "hot" neighborhoods in Chicago. The October issue of Chicago magazine is devoted to "the hottest towns and neighborhoods."

### Revitalizing Chicago Neighborhoods

*Listed in declining number of citations by key informants*

Near West Side  
 Kenwood-Oakland  
 Grand Boulevard/Bronzeville/Mid-South  
 Near South/South Loop  
 Westtown/Bucktown/Wicker Park  
 Uptown  
 Rogers Park  
 Woodlawn  
 Humboldt Park  
 Logan Square  
 Edgewater  
 Pilsen

The four elements of revitalization most commonly mentioned are listed below:

1. Most informants mentioned one or more types of **real estate development** as key to revitalization. Most frequently associated with revitalization was the construction of new single-family homes and retail shopping areas. Also commonly mentioned were rehabilitation of existing buildings and condominium conversions, especially of loft buildings.
2. Another marker for revitalization cited by several people was **increased investment**. This includes the number and size of home purchase and improvement loans, as well as loan performance and the valuation of the assets (i.e. rising property values.)
3. Several informants saw **city development and infrastructure plans** as a key ingredient in revitalization. This includes neighborhood plans; new city facilities such as field houses, schools, and libraries; road and sidewalk repair and beautification; and provision of new and improved city services. Several commented that the city “gets the ball rolling” and builds momentum to which the private sector responds.



4. Finally, many people described revitalization primarily in terms of **changing demographics**: Neighborhoods which had historically low median incomes and inferior physical conditions (housing, roads, and parks) but which were acquiring better off residents (largely through in-migration).

While the key informants mentioned nearly 30 different neighborhoods as “revitalizing,” a dozen were consistently identified by at least a third of the informants.<sup>22</sup> These neighborhoods are identified in the above chart and in Map 3.

The key informants’ selection of neighborhoods included many of the communities profiled in recent press accounts of “Chicago’s hottest neighborhoods.” In particular, the articles profile or mention Bucktown, the South Loop, Kenwood/Oakland, and the West Loop.<sup>23</sup>

In addition to the observations of key informants, we examined data on private investment trends, public sector infrastructure plans, and neighborhood building conditions.<sup>24</sup> Map 4 shows which low/moderate income census tracts in Cook County are receiving significant new private investment. Map 5 displays public sector investment plans in Chicago by ward. These data tend to confirm the judgements of the informants and suggest the following overall revitalization trends:

**North Lakefront:** Lincoln Park and Lakeview are widely seen to already be “revitalized.” Further north, the lakefront communities of Uptown, Edgewater, and Rogers Park are all undergoing significant redevelopment. It must be noted that substantial pockets of both poverty and deterioration continue to exist in these neighborhoods, particularly in Rogers Park.<sup>25</sup>

**Northwest Side:** There was widespread agreement that the band of neighborhoods heading out from the Loop in a northwestern direction were undergoing some of the most thorough-going redevelopment and change in the city. This is particularly true for Westtown and its sub-neighborhoods Bucktown and Wicker Park. It also appears true for parts of Logan Square and Humboldt Park.

**Loop Neighborhoods:** Again, high on every list were the communities immediately adjacent to the Loop. In some cases, these are virtually new neighborhoods being built amid former warehouse and commercial buildings.

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<sup>22</sup> Lawndale was mentioned by several people, but with the qualification that its revitalization was very “spotty.”

<sup>23</sup> Other neighborhoods mentioned by the articles but not consistently cited by the informants include Chatham, Lincoln Park, Ravenswood, Roscoe Village, Hyde Park, Near North, Lincoln Square, and North Center. Several of these communities are solid blue collar/middle income areas that are now being marketed to more affluent home buyers.

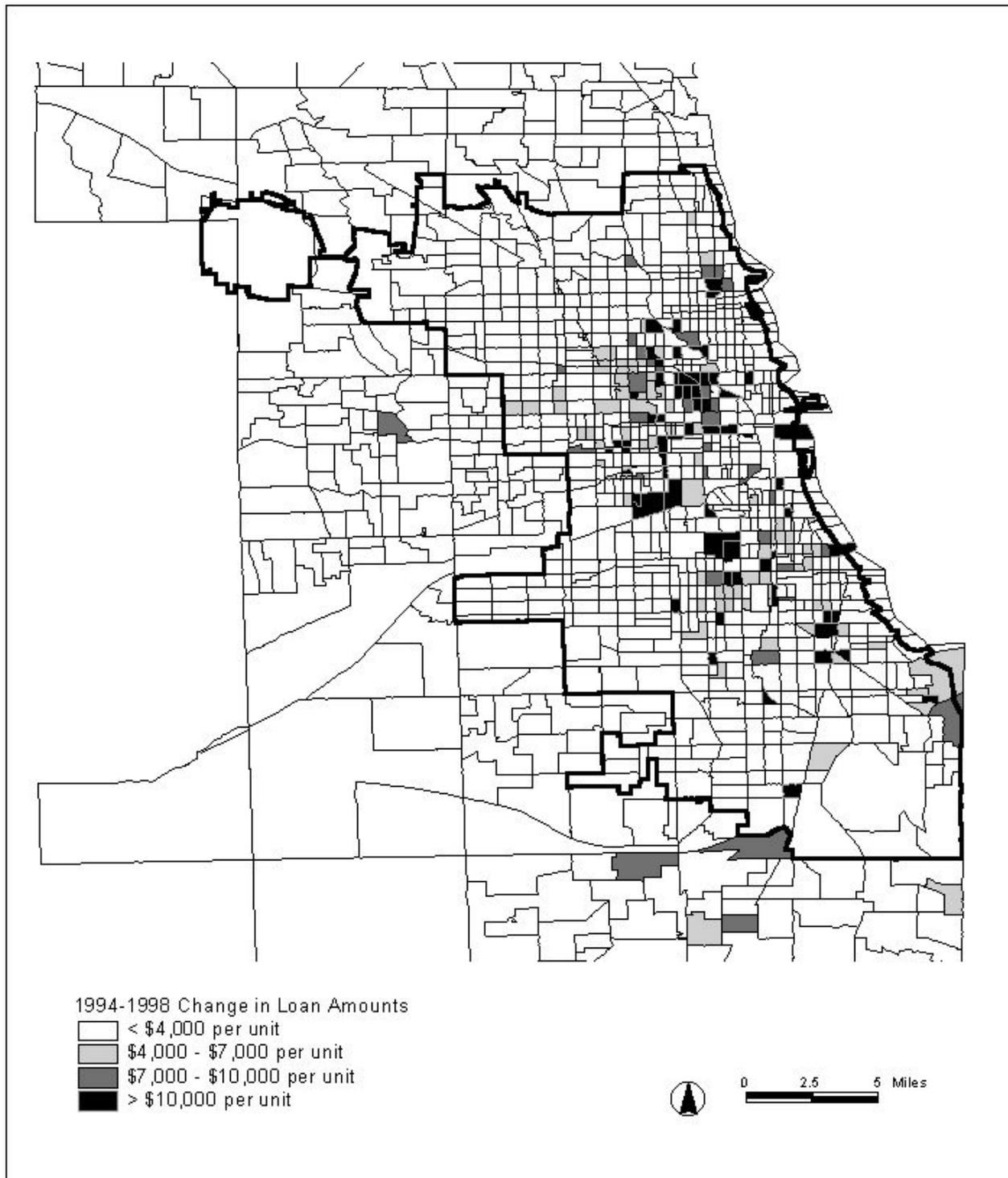
<sup>24</sup> These data sources are described in the Methodology section.

<sup>25</sup> In fact, some commentators described Rogers Park as “troubled” while other said it was “on the upswing.”

## Map 4

### Revitalizing Census Tracts - City of Chicago

Change in Loan Amounts 1994 - 1998 per Dwelling Unit  
 Only census tracts with at least half of the households  
 earning less than 60% of area median income are mapped.

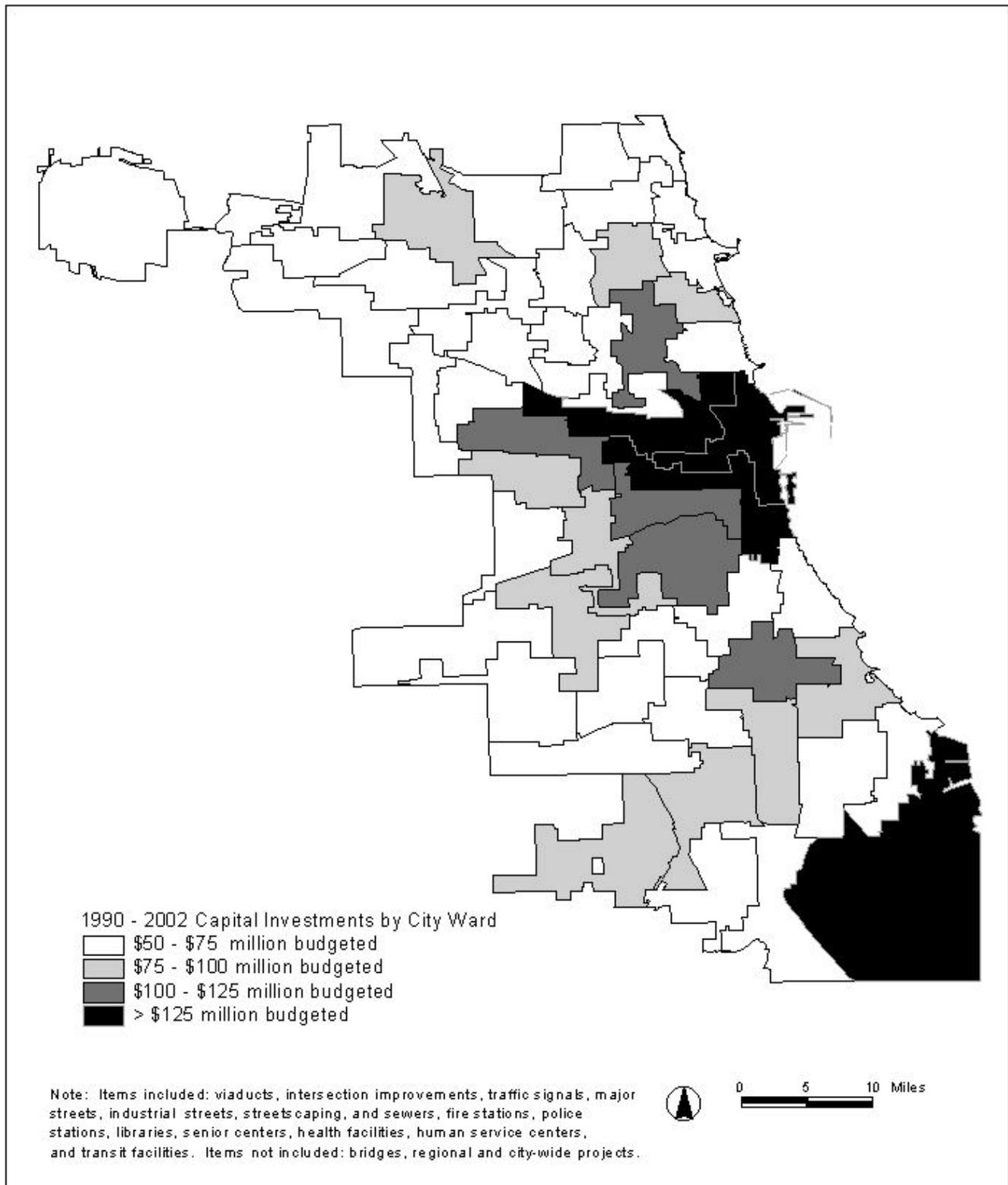


Sources: 1999 Housing Counts--Claritas 1999 Database/1990 Census  
 1994 Home Mortgage Disclosure Act Data--Right To Know Network  
 1998 HMDA Data--Federal Financial Institutions Examination Council  
 Designated Census Tracts--U.S. Department of Housing and Urban Development.

## Map 5

### Amount Budgeted per ward on Capital Improvements, 1990 - 2002

Taken From Capital Investment Plan Budgets  
(in millions of dollars)



While not immediately contiguous to the Loop, east Pilsen was also mentioned as a neighborhood undergoing redevelopment.

**South Side:** The south side neighborhoods of Grand Boulevard, North Kenwood, and Woodlawn were identified as revitalizing by several people. As with Roger Park, some informants were more tentative about Grand Boulevard and Woodlawn. Kenwood's redevelopment, perhaps because of its proximity to Hyde Park, was more often described in unambiguous terms.

What is happening beyond this group of revitalizing neighborhoods? While not a focus of the research per se, it should be noted that several communities were conspicuous by their absence. South Shore, widely-recognized as an urban success story in the 1980's, did not make the list. Nor did Austin, a neighborhood that has received a sizable share of the city's housing funds. And while Lawndale's Homan Square development and new shopping center have received much press, it too was largely absent from the informants' lists.<sup>26</sup>

The point of these comments is not to slight the significant efforts that are being made to revitalize these communities. It does say that beyond the hype about Chicago's "comeback communities," a great deal of work remains to be done. And as will be described in the following section, there are concerns that public housing redevelopment plans could undermine what progress has been made in several of these neighborhoods.

A comprehensive review of revitalization trends in the entire region was beyond the scope of this project. However, a recent article on "standout neighborhoods" in suburban Chicago identified Fort Sheridan (Lake County), Huntley (McHenry and Kane Counties), Lake Bluff (Lake County), Lake in the Hills (McHenry County), Naperville (DuPage and Will Counties), St Charles (Kane and DuPage Counties), and La Grange/Western Springs (Cook County).<sup>27</sup>

Missing from the list were any communities in south suburban Cook County, an area with segregated housing markets and concentrations of poverty. In fact, Multiple Listing Service data presented in the same article indicate that over half of the 25 communities that have seen decreases in the average sales price of single family homes in the last year are located in southern Cook County.<sup>28</sup>

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<sup>26</sup> Data from the building conditions survey undertaken as part of this project seem to confirm that these neighborhoods are still home to a sizable number of structures in "fair," "poor," or "deteriorated" condition.

<sup>27</sup> Rodkin, 1999.

<sup>28</sup> The other communities with declining average sales prices were scattered among the six counties that make up the region.

#### IV. The Impact of Housing Policy and Market Trends on Cook County

In this section, we examine how market and government forces may shape the future of Chicago's neighborhoods and Cook County's towns and cities. We begin by considering how the tight rental market will affect Chicago communities.

##### *Tightening Private Rental Markets*

In our interviews with the key informants, we asked if revitalization was resulting in an increase or decrease in affordable housing. The overwhelming majority said that affordable housing was decreasing.<sup>29</sup> Many mentioned neighborhoods like Wicker Park and Bronzville as places where the loss of affordable housing was particularly acute.

This observation is reinforced by the UIC rental market survey undertaken as part of this research project.<sup>30</sup> The survey data indicate that the rental market in the region is quite strong, with an overall vacancy rate of just 4.2% and an average rent of \$723. However, there are significant variances within the region as a whole. And no where is that more pronounced than in the city of Chicago.

For example, Chicago's north side rental market is extremely strong, with an average vacancy rate of 2.7%, one of the lowest rates in the region. Rents are also quite high, with a average rent of \$803.

The story on the city's west and south sides is a little different. The vacancy rate is 6.3% on the south side and 5.0% on the west side. Rents are also lower: \$570 on the south side and \$632 on the west side, well below rents for similar buildings on the north side.

The interviews with key informants echoed these realities. Generally, the north side of the city and the environs of the Loop were described as having very tight rental markets characterized by rising rents, low vacancy levels and condo conversions. As one person put it

*There has been so little rental supply added over the last ten years that filtering has all but stopped. In these neighborhoods, gentrification is happening even faster than it otherwise would. This is particularly true in Lakeview, Westtown, and Uptown.<sup>31</sup>*

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<sup>29</sup> A couple people pointed out that some neighborhoods close to the Loop were virtually non-residential, so that while no new affordable housing was being created, none was being lost.

<sup>30</sup> See the summary report, *For Rent Housing Options in the Chicago Region*, and Johnson, Sagun, Dombrow, Lee and Cho, *Rental Housing Supply Survey Report*.

<sup>31</sup> Other interviewees noted that with mortgage rates so low and rents so high, there is a significant movement of people into homeownership – which may be freeing up some rental units.

Another person noted that the tight market may encourage landlords with expiring housing subsidy contracts to opt out of the program. In the Near West Side, tenants in four separate buildings may be affected by the “mark-to-market” initiative.<sup>32</sup>

Several people expressed concern about the effect the surging real estate market is having on low-income people and on specific groups such as the elderly, large families, and immigrants.<sup>33</sup> One person put it this way:

*In this market, it's not just the very low income who are affected. Rent increases have exceeded inflation for several years. Even stable, hard working tenants are having trouble keeping up with the rents.*

The informants painted a different picture of the rental market on the city's south and west sides. First, people pointed out that the rental market in these areas is healthier than it has been in some time. Rents have risen steadily but slowly in low-and moderate-income neighborhoods. But the rate of increase has not prompted gentrification and has allowed owners more revenue for building improvements.

On the other hand, there are indications that the market - at least for certain kinds of buildings - is still rather soft. In particular, a number of people expressed concern about apartment buildings rehabbed using the Low-Income Housing Tax Credit. Informants wondered whether the rent levels in these buildings were above the local market, since they seemed to have trouble filling the units reserved for families whose incomes are 40% to 60% of the area median.<sup>34</sup>

The relative strength of the rental market in different parts of the region has serious implications for the next topic to be considered: The plans to relocate CHA tenants from publicly-owned high rise buildings to privately-owned apartments.

### ***Public Housing Policy Changes***

Chicago is in the midst of a vast effort to replace decades-old high rise public housing complexes with smaller mixed-income developments. In the process, thousands of public housing residents are expected to move into private sector housing with Section 8 Housing Choice Vouchers.<sup>35</sup> Between 2,000 and 8,500 families may move using Section 8 over the next five years.<sup>36</sup>

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<sup>32</sup> In the case of subsidized housing refinanced under the HUD “mark-to-market” program, current tenants receive Section 8 vouchers and can thereby remain in the building. Once they move out, however, the new residents must pay the unsubsidized market rent.

<sup>33</sup> The Metropolitan Tenants Organization reports a 60% increase in calls to their hotline about landlord retaliation since 1996. Most of these calls were in lakefront neighborhoods undergoing redevelopment.

<sup>34</sup> The Low-Income Housing Tax Credit requires managers to lease qualifying units to tenants at or below 60% of the area's median income.

<sup>35</sup> In 1996, Congress passed Section 202 of the Omnibus Consolidated Reconciliation Act (OCRA) which required public housing authorities to plan the demolition or disposition of all nonviable developments - sites

In this part of the report, we wish to consider two questions:

- First, where will the tenants relocating out of CHA high rises likely move?
- Second, to the extent that CHA tenant re-concentrate themselves, will this relocation pattern have negative impacts on the “receiving communities?”

While no one can predict with certainty the thousands of individual relocation decisions families moving from high rise developments will make, we asked the key informants to make informed guesses about the outcome of the relocation process. As was the case in their views on revitalization, a pattern emerged from the discussions. Specifically, the informants thought most CHA families would move into three kinds of communities:

- Communities adjacent to existing public housing developments

Several informants thought that most relocating CHA families would seek apartments near their current residence and that this would lead to an influx of families in neighborhoods like Grand Boulevard, Washington Park, New City and East Englewood. They thought most CHA tenants would prefer to live in traditional, predominantly African-American neighborhoods – and that this would create tension with the growing black middle class in some of these communities.

- Communities with large stocks of multi-family housing

Some informants thought the most likely places CHA families would move would be neighborhoods with large stocks of rental housing. This includes communities like Rogers Park, Austin, West Garfield Park, Uptown, Edgewater, Woodlawn, and South Shore, all of which have large numbers of older, walk-up apartment buildings.

- Communities with low cost single families homes

Finally, some informants believed that many CHA tenants would seek out rentals in single family homes, particularly in racially changing neighborhoods on the southwest side. The informants pointed out that many CHA residents need larger units (with three or more bedrooms) and that single family homes are a suitable option. Plus, while cost of for-sale housing in the region has risen, there are still many neighborhoods with soft markets. In neighborhoods like West Englewood, Roseland, and West Pullman home sellers may be tempted to retain ownership of their houses and rent them out.<sup>37</sup>

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with 300 or more units and 10 percent or greater vacancy rate where it would cost more to rehabilitate than it would to remove the units and provide residents with housing vouchers for private sector rental housing.

<sup>36</sup> This range of possible tenant relocations using Housing Choice Vouchers was provided by CHA.

<sup>37</sup> While home prices in Roseland have risen in the last year, they have fallen by 4.4% in West Englewood and 3.62% in West Pullman.

These speculations are consistent with the research that has been done on Section 8 tenant moves. Sue Popkin and Mary Cunningham, note that Chicago area Section 8 participants, like those studied in other cities, rely “primarily on information from friends and family and listings in newspapers, particularly advertisements that indicated the landlord would accept Section 8.”<sup>38</sup>

Given these search strategies, and the fact that many neighborhoods are effectively off-limits to Section 8 tenants due to high rents or racial discrimination, Section 8 tenants often end up in high poverty, segregated neighborhoods. Reviewing the operation of the Section 8 program in metropolitan Chicago, Paul Fisher concludes “(b)lack families using Section 8 certificates and vouchers live in similar communities to those residing in public housing.”<sup>39</sup>

All of this suggests that CHA tenants may tend to concentrate in relatively few communities as they leave the high rise developments. Which leads to the second question: Will such concentrations of CHA families have adverse effects on the “receiving” communities? Researcher Paul Fisher raised this question in his 1999 report “Section 8 and the Public Housing Revolution:” “(T)he patterns of (CHA) resettlement raise questions about whether certain revitalizing communities may be threatened by these patterns and are in danger of resegregating.”<sup>40</sup>

The literature on this question is anything but conclusive. A forthcoming paper by the Urban Institute points out that there is no consensus that Section 8 tenants destabilize neighborhoods. In the past, accusations that disruptive behavior by Section 8 tenants was harming a neighborhood turned out not to be true. In many cases, such fears have more to do with racial prejudice than facts.<sup>41</sup>

Still, the paper suggests, under certain conditions concerns about Section 8 and neighborhood health may be warranted:

*It seems clear that Section 8 is unlikely to disrupt or destabilize destination neighborhoods unless recipients cluster geographically. As long as subsidized households are widely scattered, they are unlikely to have any perceptible impact on their surrounding communities, regardless of their individual behavior. But if some neighborhoods are effectively closed to Section 8, or if families cluster in significant numbers for other reasons, then greater potential exists for negative impacts on the receiving neighborhood.*<sup>42</sup>

Studies on poverty concentration bear this observation out. A recent study by the Institute on Race and Poverty concludes

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<sup>38</sup> Popkin, p. 11.

<sup>39</sup> Fisher, p. 6.

<sup>40</sup> Fisher, p. 8. Fisher does not attempt to definitively answer the question but does pose a number of policy changes to address the concern.

<sup>41</sup> Turner and Popkin. p. 6

<sup>42</sup> Turner and Popkin. p. 15

*Concentrated poverty and racial segregation adversely impact the economic conditions of local residents. Besides damaging their educational achievement, employment opportunities, and the overall regional economy, concentrated poverty harms neighborhoods in other ways.*<sup>43</sup>

Concentrated poverty generates what scholars call “concentration effects” different from poverty experienced in other settings. These can include substandard housing, falling property values, family instability, social isolation, high crime, and decreased educational achievement and employment prospects.<sup>44</sup>

The key informants had a variety of opinions on the likely impact of large scale relocation of CHA residents into a few neighborhoods. Several foresaw increases in gang, drug and criminal activity. One said that while most CHA tenants were law abiding, he was not convinced CHA knew how to screen out those prone to criminal activity.

Other observers worried that CHA families, some of whom might have serious personal problems, would place demands on local schools and human service agencies. If properly planned for, this need not be a problem. But informants wondered if such plans would be made.

Informants also predicted increased NIMBY (Not In My Back Yard) conflicts over Section 8, particularly in revitalizing African American neighborhoods. Some observers feared that Section 8 in-migration would further the exodus of white and middle-class residents in neighborhoods with softer real estate markets. In particular, there was a concern that an influx of Section 8 families would lead to the destabilization or “de- vitalization” of communities and would undermine local neighborhood redevelopment activities.

To better understand the possible impact of CHA tenant relocations on the “receiving” neighborhoods and communities, we first examined the data on where Section 8 tenants currently live. As Paul Fisher and other researchers have pointed out, Section 8 voucher holders tend to cluster in particular communities within the metropolitan area.

We focused on 18 Chicago neighborhoods with high numbers of Section 8 voucher holders and 16 suburban Cook County municipalities that each have between 140 and 1,459 Section 8 voucher holders. This information is presented in Maps 6 and 7.<sup>45</sup> The existing concentration of Section 8 tenants in these communities is quite striking.

For example, in Chicago the South Shore neighborhood has 2,744 voucher holders and Austin has another 2,414. These two communities alone account for nearly 16% of all Section 8 vouchers in Cook County. Another six neighborhoods each have over 800 vouchers.

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<sup>43</sup> Udayakumar, 1999. p. 21.

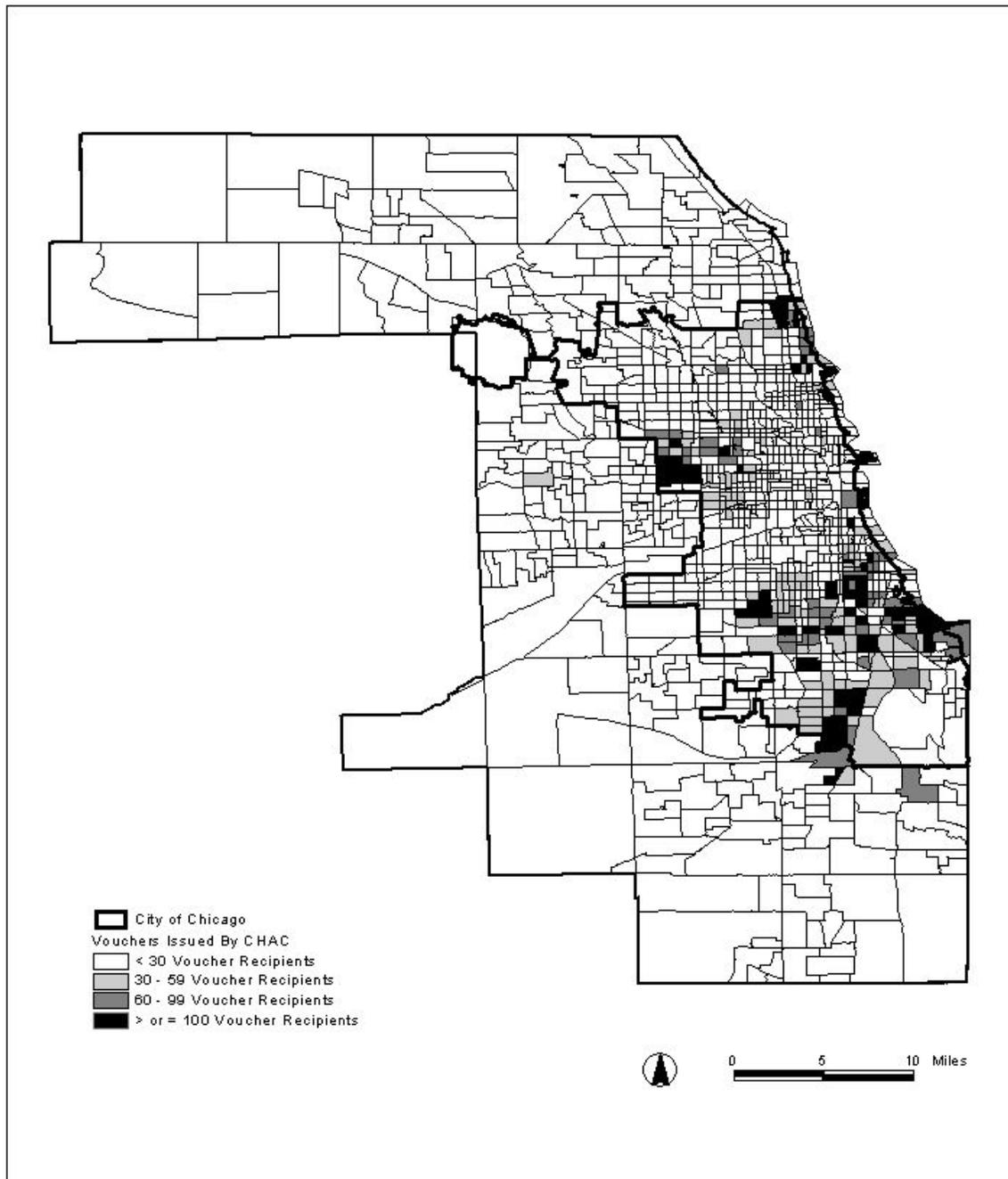
<sup>44</sup> Udayakumar, 1999. p. 22.

<sup>45</sup> The data used to generate these and the Opportunity Scenario map is Figure 1 in the Appendix.

# Map 6

## Vouchers Administered by CHAC, 1999

By Census Tract, Cook County

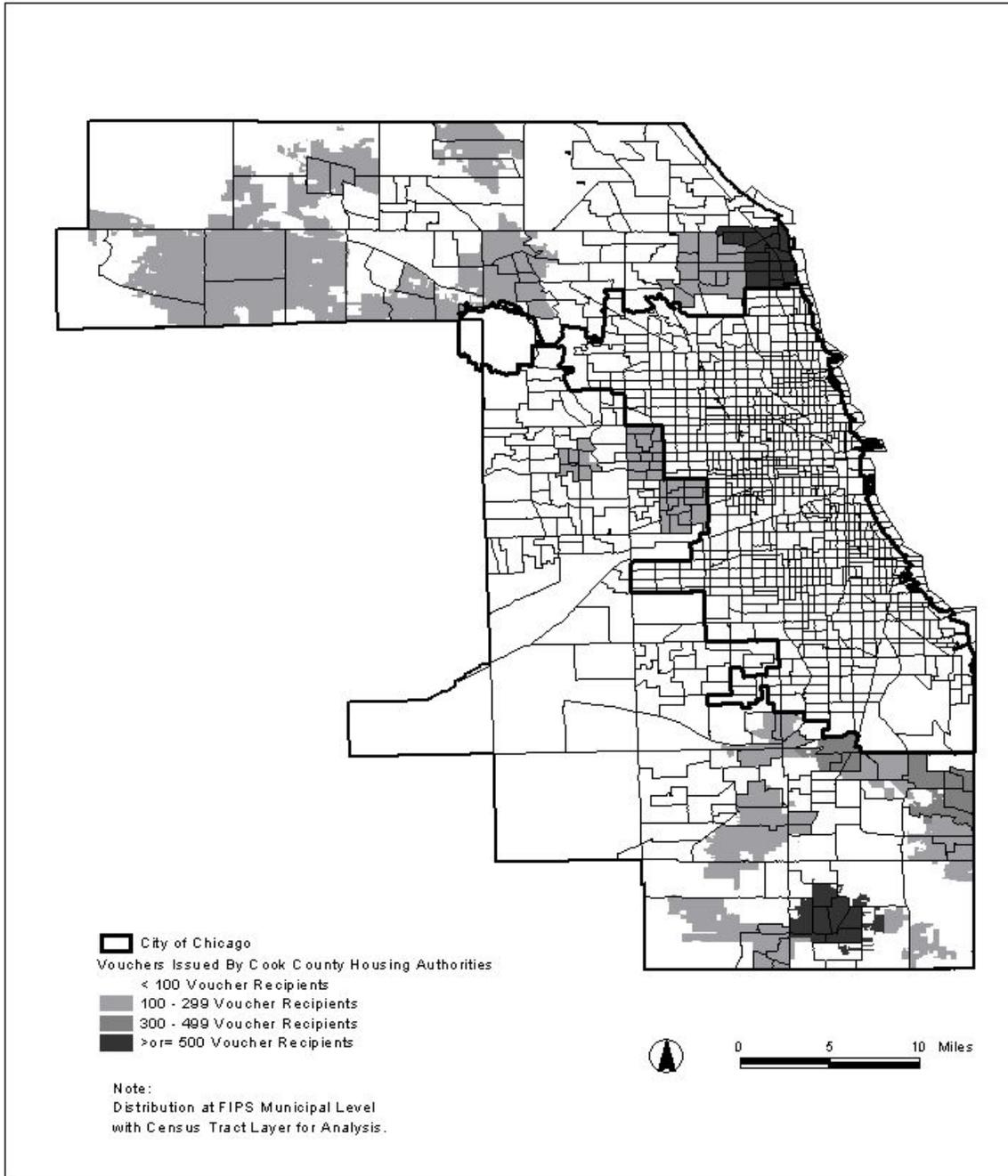


Sources: CHAC

# Map 7

## Vouchers Administered by Cook County Housing Authorities, 1999

By Municipalities, Cook County



Source: Cook County Housing Authority,  
U.S. Department of Housing & Urban Development--Picture of Subsidized Households.

The same pattern of concentration is visible in the suburban towns. Harvey leads the suburbs with 1,459 Section 8 families. Another six towns each have over 500 Section 8 families. Altogether, these 18 Chicago neighborhoods and 16 towns account for over two-thirds of the Cook County Section 8 population.<sup>46</sup>

To help us estimate where future Section 8 tenants might move, we calculated the percentage of the entire Section 8 inventory that each Chicago neighborhood and Cook County town has. This fraction was used to approximate the share of the 6000 relocating CHA families and 800 welfare-to-work Section 8 vouchers that each neighborhood and town might receive.<sup>47</sup>

We called this the “status quo” scenario since it assumes that the past is prologue – that the same choices and forces that led to the current spatial distribution of Section 8 will shape the distribution of the next 6,800 voucher holders. Using the status quo as guide, 5,069 Section 8 families could be expected to relocate into these 34 neighborhoods and towns.

With regard to new Section 8 families, once again South Shore and Austin would lead the way, each gaining over 400 Section 8 families. Another 19 neighborhoods and towns would gain over 100 families each, in some cases pushing the total number of Section 8 families over 1,000. In the southern suburbs, Harvey, Markham, Calumet City, Chicago Heights and Riverdale would absorb the biggest share of the CHA families. In Harvey, this would mean that over 40% of the apartments at or below Fair Market Rent would be leased to Section 8 tenants. Other communities would see 20 to 35% of their affordable rental housing occupied by Section 8 families.

A couple of caveats are in order about these estimates. First, some of the north side neighborhoods that are experiencing redevelopment (like Rogers Park, Uptown, and Edgewater) may not absorb the full number of Section 8 families predicted by this scenario. In communities with strengthening rental markets landlords have less incentive to rent to Section 8 tenants. This may also be true in neighborhoods on Chicago’s south side like Woodlawn and Kenwood and in suburbs like Oak Park and Evanston.

Second, while the CHA is estimating that 6,000 families will use Section 8 vouchers, the actual number could be greater if fewer public housing replacement units are built or if more tenants choose to use Section 8 vouchers over relocation to other CHA units. The outcome of both of these events would most likely be to further concentrate Section 8 tenants in lower-income, predominantly African American neighborhoods in Chicago and the south Cook suburbs.

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<sup>46</sup> This is out of 77 community areas in Chicago and 129 municipalities in suburban Cook County.

<sup>47</sup> The 6,000 families figure was provided by CHA and represents their current thinking on how many families will choose to Section 8 vouchers from among their relocation choices. The figure is roughly in the middle of previous estimates that ranged from 2,800 to 8,000 households. The 800 welfare-to-work vouchers can be used by families to lease their current apartments as well as relocate.

We also developed a second scenario for CHA relocation and the Welfare-to-Work families. The second scenario assumes that through a variety of actions (outreach to landlords in low-poverty neighborhoods, mobility counseling, etc.) Section 8 tenants moved into neighborhoods and towns based on the rough share of affordable rental housing in each of those places.<sup>48</sup> Map 8 illustrates the current distribution of affordable rental housing in Cook County.

Not surprisingly, this scenario results in a very different distribution. With the exception of Uptown, none of the 34 neighborhoods and towns with existing Section 8 concentrations gains more than 191 families.<sup>49</sup> Some towns in areas with good job bases gain more Section 8 families than under the “status quo” scenario, notably Elk Grove Village, Hoffman Estates, Oak Park, and Schaumburg. In fact, the 34 towns and neighborhoods we identified gain only 35% of the total number of Section 8 families.

This analysis suggests that, under the right circumstances, the Section 8 program could provide greater mobility to program participants and lessen the chance that concentrations of Section 8 families would negatively impact these communities.

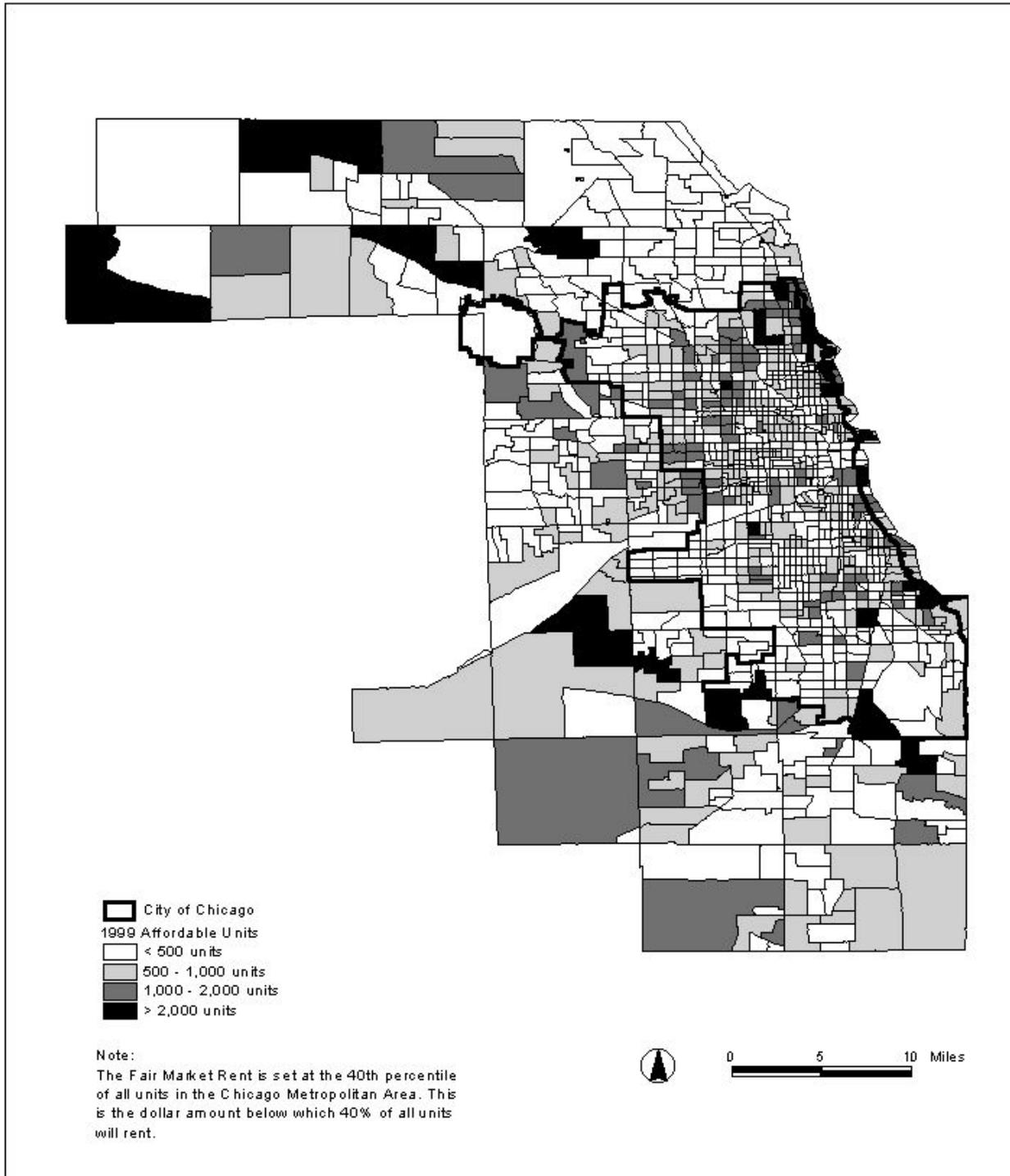
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<sup>48</sup> “Affordable housing” is defined as apartments at or below the HUD Fair Market Rents for the purposes of this scenario.

<sup>49</sup> Uptown is an anomaly because it has such a large stock of rental housing. As was pointed out above, it is far from clear that landlords will continue to rent to Section 8 tenants as the local rental market improves.

## Map 8

### Estimated Number of Affordable Units, 1999 Fair Market Rent Units by Census Tract, Cook County



Sources: 1999 Housing Counts, Claritas 1999 Proportion of FMR units, 1990 Census (Proportion with Gross Rent < \$400).

## V. Conclusion

The Chicago region ends the current century with a robust economy and a healthy real estate market. In 1999 it is also a region characterized by intense racial segregation and spreading concentrations of poverty. What will the new century bring?

New public sector investments and private real estate development are remaking broad areas of Chicago, including some formerly deteriorated neighborhoods. By and large, this is very good news. For those tenants with low incomes, however, it is unclear whether they will be able to afford the rents in the new “Manhattan-like” districts of Chicago.

Other parts of Chicago, and some western Cook and southern Cook County suburbs, begin the new century with mixed prospects. Despite significant efforts by the public, private, and non-profit sectors, these neighborhoods continue to have more poverty, fewer businesses, higher crime, softer property values, and worse physical conditions than other parts of the region.

If the past is any predictor of the future, it is precisely into these neighborhoods that the vast majority of the CHA families leaving the high rise developments will move. Given the CHA’s current estimates of 6,000 families to be relocated, this may mean a net increase in the number of low-income families of 29 to 578 families in those 34 communities that currently house three fourths of the Section 8 tenants in the region.

Will 56 more Section 8 families make a big difference in Skokie? Probably not. But moving hundreds of poor families into struggling neighborhoods in Chicago and the South Cook suburbs can only reinforce the patterns of racial and economic isolation that have long plagued the region.

Is there an alternative? A cautious “yes” is the answer. A critical ingredient of any effort to increase Section 8 tenant access to the broader region is high quality tenant counseling and support. Some efforts of this type are currently underway, though it is too soon to see if they will have a measurable impact.

Other steps that might be taken are described in the other research reports that are a part of this project. Increase rental housing construction throughout the region. Enforce fair housing laws. Make the Section 8 program less burdensome to landlords. Increase outreach on the program through real estate industry networks. Speed reinvestment in and redevelopment of the CHA’s existing stock of housing.

If these steps are taken, modest but significant progress can be made in reversing the racial segregation and poverty concentration that have long been part of the geography of northeastern Illinois.

## VI. Methodology

To understand the location and extent of neighborhood revitalization activity in Chicago, we undertook two kinds of research. For one, we examined a variety of data on neighborhood conditions, lending activity, and city infrastructure spending. Using this data maps were then created to better understand the location of these activities.

For maps of current poverty and race patterns, we relied on data provided by Claritas, a company that updates demographic information from the U.S. Census bureau and other sources. The approach for generating the other maps and chart is detailed below:

### Revitalizing Areas, 94-98

This map sought to view revitalizing areas - areas with traditionally high concentrations of poverty that are receiving increasing levels of investment. To focus on traditionally low-income areas, IRS “qualified” census tracts were used for this analysis. Under IRS section 42(d)(5)(C), a “qualified” census tract is any tract in which at least 50 percent of households have an income less than 60 percent of the Area Median Gross Income. There are 388 “qualified” census tracts in Cook County as of 1999. The total dollar amount for loans originated in the years 1994 and 1998 were then collected, using HMDA data from the Right To Know Network (1994) and Federal Financial Institutions Examination Council (1998). The change in the dollar amount of loans per qualified census tract was then tabulated, divided by the number of units in that census tract. Dividing by the number of units accounts for differences in census tract population. The map shows that the increase in loan amounts from 1994 to 1998 generally ranged from 0 to \$10,000 per unit in each census tract.

### 90-02’ Capital Investments

This map supplements private investment data with public investment data, to identify areas of revitalization. Data for this map was taken from the Neighborhood Capital Budget Group’s 1999 report- *Chicago’s Public Works Program: Is It Working for Everyone?* The dollar amounts budgeted in Capital Improvement Plans from 1990 to 2002 were collected. These amounts were broken down by ward. Regional and city-wide projects, such as highway repairs and water purification plants, were excluded from their study because of their broad impact. Items included in the analysis were viaducts, intersection improvements, traffic signals, major streets, industrial streets, streetscaping, and sewer, fire stations, police stations, libraries, senior centers, health facilities, human service centers, and transit facilities. If an improvement crossed ward boundaries, each ward took a proportional amount of the funding relative to the improvement’s location. Municipal facilities and transit stations were attributed to wards in which the projects were located. If the project bordered two wards, half of the projects cost was attributed to each ward. Items not included were bridges as they were seen as city-wide, mega projects. TIF district funding does not follow the ward boundaries and is difficult to track due to the variability of funding timing and mechanisms. In addition, fire stations, police stations,

libraries, and health clinics were excluded because of difficulty in attributing their impact to a particular ward.

### Comparison of Opportunity and Status Quo Scenarios

The chart “Comparison of Opportunity and Status Quo Scenarios” compares the distribution of Section 8 voucher households according to two scenarios: the opportunity scenario and status quo scenario. The opportunity scenario distributes 6,800 new voucher recipients (new vouchers expected by 2004) by each census tract’s proportion of total affordable rental units in Cook County. Census tracts were then totaled by community area and suburban municipality. The status quo scenario distributes 6,800 new voucher recipients by each census tract’s proportion of 1999 total Section 8 vouchers in Cook County.

Data for the opportunity scenario was collected by applying the proportion of 1990 Fair Market Rent units per census tract to estimated 1999 total units per census tract. The 1990 proportions were taken from the 1990 Census. The 1999 total units estimate was taken from Claritas estimates, which are based on the 1990 Census.

The 6,800 new vouchers were figured estimating 800 new Welfare-to-Work Vouchers allocated between 1999 and 2004, and 6,000 new vouchers for relocatees from public housing. These estimates were provided by the Chicago Housing Authority and CHAC, the private entity that administers the Section 8 program. The distribution of existing vouchers was taken from 1999 CHAC data by census tract, 1999 Cook County data by municipality, and 1998 data for Oak Park, Cicero, Maywood and Park Forest available in the *Picture of Subsidized Households*.

### Key Informant Interviews

We also completed 15 key informant interviews with persons knowledgeable about revitalization work in Chicago. These informants were drawn from the following types of organizations:

Local government	13%
Real estate development/consulting	27%
Non-profit agencies	40%
Banks	20%

The informants were asked the following questions:

1. In your opinion, which neighborhoods are currently undergoing renewal/revitalization?
2. What measures/indicators do you use to determine that?
3. Is renewal producing a net increase or decrease in affordable housing?
4. Is redevelopment changing the existing racial pattern of neighborhoods?

5. Are there likely to be impacts on neighborhoods from the in-migration of a large number of Section 8 families? Which neighborhoods do you think might be affected by this? What would the impacts be?
6. What is your overall impression of the rental market in those parts of the City in which you work? What impacts are changes in the rental market having on these neighborhoods?

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