

WE NEED TO PRESERVE AFFORDABILITY IN EAST GARFIELD PARK

People increasingly struggle to stay in East Garfield Park, according to data from the Institute for Housing Studies at DePaul University and the Metropolitan Planning Council.

Here's why:

A boom-and-bust real estate market has home prices booming again. After the 2008 recession, homes became inexpensive, attracting outside investors drawn to East Garfield Park's proximity to downtown, transit access, parks, and historic housing stock.

148%
How much home values have grown in the EGP-area since the 2008 housing crash

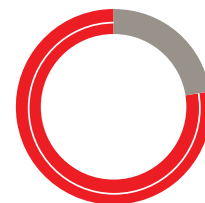
20%
How much EGP home prices increased just in 2018, the highest in all of Chicago

Most residents pay too much of their monthly paychecks toward rent. More than half of households earn less than \$25,000 per year. Most residents rent, rather than own, their homes. Although most residents spend less than \$900 each month on rent, the majority of renters in East Garfield Park pay more than 30% of their income toward housing, the threshold for "cost burdened."

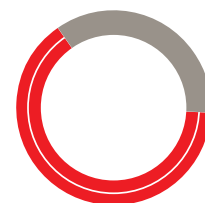
East Garfield Park is at risk of losing affordability. The community has a lot of so-called "unsubsidized affordable housing," including small buildings like greystones. Average sale prices of 2 to 4 unit buildings have quadrupled since 2012, but still fall below the city's average.

52%
of all rental units in EGP are in 2 to 4 unit buildings, which are often affordable

4x
The increase in the average sales price of EGP 2 to 4 unit buildings since 2012



77%
of East Garfield Park residents are renters



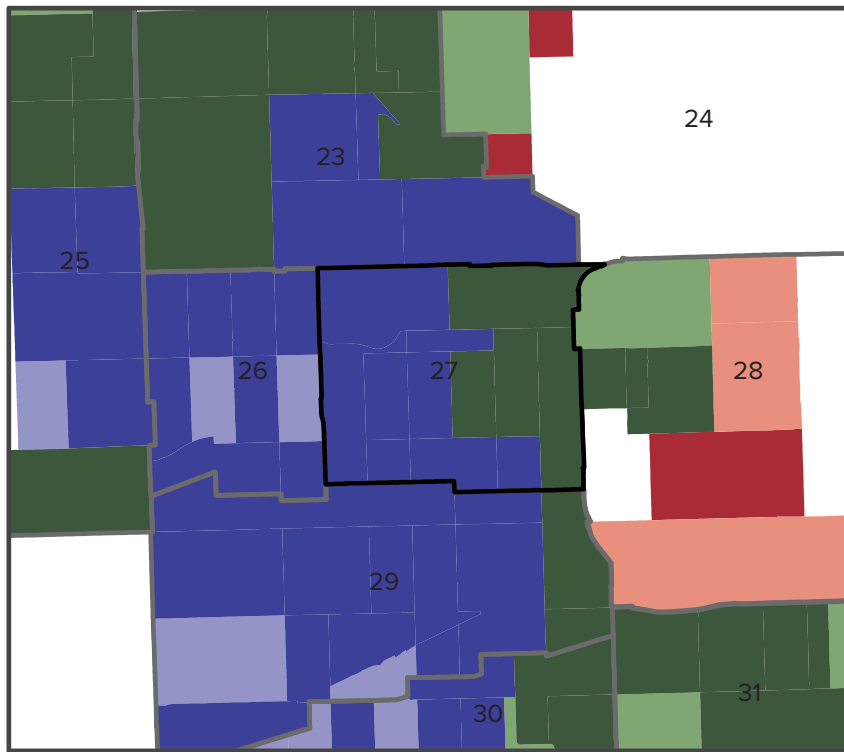
64%
of East Garfield Park renters are cost-burdened



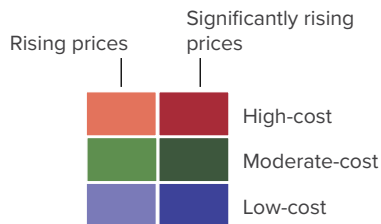
1 in 2
East Garfield Park households earn less than \$25,000

Displacement threats can be caused by many things: rising housing costs, stagnant and low wages, and ongoing disinvestment. Different parts of East Garfield Park are facing different kinds of displacement pressures. While some blocks are getting more expensive, many more still need investment.

Uneven market recovery in and around East Garfield Park:



Vulnerable tracts with intensifying displacement pressure



Chicago Community Area

- 23 Humboldt Park
- 24 West Town
- 25 Austin
- 26 West Garfield Park
- 27 East Garfield Park**
- 28 Near West Side
- 29 North Lawndale
- 30 South Lawndale
- 31 Lower West Side

Source: IHS calculations of 5-year American Community Survey data, 2011-15 and property sales data from Cook County Recorder of Deeds, 2017 and 2012

What is “Unsubsidized Affordable Housing”?

Unsubsidized Affordable Housing is a term to describe rental housing that people can afford without government assistance. Nationwide, 75% of all affordable housing “occurs naturally,” meaning that it is unsubsidized. In Chicago, this stock is mostly in 2-to-4 unit buildings, like greystones, often owned by small “mom and pop” landlords who may also live in one of the units. No law keeps these homes affordable, so they’re in danger of disappearing with new investment or a change in ownership. Preserving the affordability of these units — while ensuring housing quality — is a critical tool for preventing displacement.

THE TIME FOR ACTION IS NOW.

Prices are still relatively low, and investment is clearly needed. There are immediate opportunities for equitable growth in East Garfield Park — from a supply of city-owned vacant land to strong civic institutions — to help ensure new development benefits current residents and preserves affordability.

WE CAN PRESERVE AFFORDABILITY TOGETHER.