



## Chapter 8: Housing

Housing is a broad area that encompasses a great variety of issues. In this chapter, we discuss the most common housing challenges facing immigrants and present strategies that municipalities can use to proactively address them. Immigrants often struggle with challenges ranging from a limited supply of a diverse housing stock, to unintended discriminatory consequences of ordinances and regulations, to miscommunications and confusions due to cultural differences.

Without access to safe, affordable housing options, immigrants face instability. Housing instability has been shown to have negative impacts on all other areas of an individual's and household's life, particularly employment and education. Housing location determines school assignments, and if immigrant families live in areas with poor schools, their children may not receive the skills and training they need to obtain good jobs and participate successfully in the local economy. This places strains on individuals and families, and it also affects the future economic viability of communities and the region. By addressing housing challenges, municipalities can improve individual and community quality of life, increase neighborhood stability, and promote economic growth.

## Common Challenges

Housing challenges are complex and multi-faceted, and it is important to understand the underlying issues in order to begin working on solutions. It is also important to note that while many of these challenges affect both immigrants and non-immigrants alike, in many cases immigrants are disproportionately affected by these issues. This chapter discusses three broad categories of housing challenges: supply challenges, policy and regulation challenges, and educational and cultural communication challenges.

### Housing Supply Challenges

**Housing diversity.** A diverse housing stock offers home-ownership and rental opportunities for households of different sizes and economic means. It also offers housing in different kinds of units, from detached single-family homes to townhouses, to multifamily buildings. In many communities, however, there are very limited options. Since the recession, rental stock has grown as a percentage of all housing, but demand continues to outpace supply. This has resulted in an increase in monthly contract rents. Additionally, larger rental units accommodating households with children have become increasingly scarce. The increasing costs of and demand for rental property makes it particularly challenging for immigrants to find decent housing, as a high proportion of immigrants are renters.

### Housing affordability.

As stated above, affordability is a component of housing stock diversity. As housing costs increase and the supply of affordable housing remains the same or declines, it is difficult for lower-income immigrants to live in many of the communities where they work or to stay in the communities where they live. As available housing options become farther away from jobs, commuting costs increase and families end up spending over the recommended 45 percent of household income on combined housing and transportation costs.<sup>68</sup> In some cases, in the absence of sufficient rental options and sufficient rental options at affordable prices, individuals and families squeeze into a small unit.



Lake Forest senior cottages.

Source: Chicago Metropolitan Agency for Planning.



Street of two flats.

Source: Chicago Metropolitan Agency for Planning.

68 The Center for Neighborhood Technology, "H+T Affordability Index." <http://htaindex.cnt.org/>.

## Housing Policy and Regulation Challenges

**Fair housing and discrimination.** Many of the housing challenges facing immigrants are related to broader issues of fair housing. CMAP recently partnered with the Chicago Area Fair Housing Alliance to produce a Fair Housing Equity Assessment.<sup>69</sup> This analysis found that the region's housing stock continues to be largely segregated by race. It also found that this has had a negative impact on the region's economy. The report recommends that municipalities review their land use regulations to ensure policies allow for the development of a diverse housing stock, implement affirmative marketing strategies, support the training of housing providers and other professionals, consider the development of community relations commissions, and support community based organizations that increase local diversity.

**Overcrowding ordinances.** According to the U.S. Census, overcrowding is defined as 1.01 or more people per room in a housing unit. Overcrowding poses very real safety concerns and can further burden a municipality's infrastructure. Nevertheless, it is important to recognize that overcrowding ordinances, if not carefully worded or implemented, can be discriminatory in effect, if not intent. Some communities have struggled with ordinances being enforced primarily against immigrant households.

**Crime-free housing ordinances.** Like overcrowding ordinances, crime-free housing ordinances are often an effective way of maintaining safer housing conditions. However, they can have adverse effects on minority groups, including immigrant households. In some cases, a complaint can be enough to trigger an eviction, even if there is no conviction, leading to issues with vacancy and homelessness. Such ordinances may also have the effect of inhibiting crime reporting, as potential crime victims (such as victims of domestic violence) fear being evicted if they make a police report.

**Zoning and building codes.** Zoning and building codes are often a driving cause of issues with housing supply. Lot size requirements, density limits, limits on housing type (e.g., rental housing, multifamily housing, supportive housing, group homes, or even larger single-family homes) all have the effect of limiting housing options. Zoning codes can also lead to certain types of housing, such as rental or multifamily housing, being located in less desirable parts of a community, leading to unhealthy conditions or poor educational outcomes for residents.

## Education and Cultural Communication Challenges

**Unfamiliarity of local ordinances.** Many housing challenges, particularly problems with overcrowding, stem from lack of knowledge of housing rules and regulations, as well as cultural communication issues. Often immigrants come from countries where there are very different norms as to how many people can live in one unit and are not aware that there may be occupancy restrictions. At the same time, problems with discrimination often occur because tenants, landlords, and municipal staff are unfamiliar with laws or their rights.

**Consumer education and protection.** Immigrants and other minority borrowers have faced, and continue to face, inequality in lending. During the subprime lending era, minority groups were much more likely than whites to receive a subprime loan, even if their income or credit worthiness qualified them for better loans. Minorities also disproportionately received FHA mortgages, which are more costly over the life of the loan. Furthermore, minority borrowers often lack access to quality mortgage services in their communities, making them more likely to obtain financing via brokers, which saddles them with higher fees and interest rates. Being restricted to lower quality loans, these groups are at much greater risk of foreclosure.

69 CMAP, "Housing," 2013. <http://www.cmap.illinois.gov/livability/housing>.

## Strategies to Address Housing

There are two broad types of strategies recommended in this section—regulatory and educational and communication strategies. Regulatory strategies are recommendations that fall directly under the rule of the municipality, like property inspections and housing permitting. Education and communication strategies, such as programs for tenants or first time homebuyers may feel unnecessary, but if there are no groups providing these resources, chances are the immigrant community is not aware of how to go about buying or renting a home. These strategies may also have the added benefit of beginning to address issues that were raised in earlier chapters, such as public safety and language access.

**Require property inspections prior to home sales or apartment rentals.** Property inspections of both rental and for-sale property are a very effective way of safeguarding the buyer/renter from predatory practices and ensuring that housing is safe and complies with zoning and other regulations. In many communities, property inspections are required but only after the sale of a home, a practice that puts the buyer at risk. By requiring inspections to take place prior to the sale, municipalities can better protect buyers.

Similarly, requiring inspection of rental property prior to the signing of a lease protects both renters and landlord by ensuring a unit is up to code before a new occupant begins his/her lease. Municipalities should direct landlords to resources that can aid in financing rehabilitation of property in order to bring it up to code, such as the Community Investment Corporation, a not-for-profit mortgage lender that provides financing to buy and rehab multifamily apartment buildings in the Chicago metropolitan area.<sup>70</sup> It is important to make landlords aware of these resources so that the cost of rehabilitation is not passed on to renters, leading to low-income renters getting priced out of their units.

**Develop a diversity of housing types.** In order to address the challenge of limited diversity in housing stock, municipal staff, particularly staff in housing and development departments, should focus on filling the gaps in housing supply. Regionally, most unmet demand is for rental housing, single-family homes (3+ bedrooms), smaller and/or energy efficient homes, and senior housing. Staff should look closely at the kind of housing that is proposed by developers to ensure that affordability is also maximized. Housing costs decrease when rooms are smaller, more units are built on the same footprint, and when units are built more energy efficiently.

That said, housing needs differ by sub-region and by community, and developing diverse housing is something that happens over the short-, mid-, and long-term. In order to ensure that housing matches a community's current and longer term needs, it is best to create a housing plan. A housing plan also makes it easier for municipalities to attract developers and to work with them to ensure that new development fits market demand.

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#### Rental registration, property inspection, and landlord-tenant ordinances

The Village of Mount Prospect has systematized the inspection process and established a landlord-tenant ordinance that ensures all parties are prepared to participate in the code enforcement process. Under the inspection program,<sup>71</sup> the Village inspects 20 percent of its rental units each year and offers tenant assistance with code violations. These measures have helped the Village, property owners, and managers, as well as tenants avoid problems and lower costs

The City of Evanston has a rental registration program,<sup>72</sup> under which all rental single-family homes, rental condominiums, and multifamily rental buildings must be registered annually. The program helps the City keep track of rental units and streamline inspections.

70 Community Investment Corporation. <http://www.cicchicago.com/about/what-is-cic-2/>.

71 Village of Mount Prospect, "Housing," 2014. <http://www.mountprospect.org/index.aspx?page=144>.

72 City of Evanston, "Rental Registration." <http://cityofevanston.org/health/rental-registration/>.

**Institute flexible housing ordinances.**<sup>74</sup> Flexible housing ordinances are a very effective way of facilitating the development of a diverse housing stock. Flexible housing ordinances can allow for planned unit developments, accessory dwelling units, density bonuses, and greater variation in lot sizes, setbacks, and height. Such ordinances make it easier to develop a variety of housing types and often at more affordable price points. Developing such ordinances allows residents greater choice in living arrangements and helps address “the economic, cultural, and life-cycle factors in overcrowding.”<sup>75</sup> Municipalities should examine their zoning codes, and consider making revisions to facilitate the development of different types of housing.

**Reinforce affordable housing initiatives.**<sup>76</sup> In addition to promoting the development of market-rate housing at a variety of price points, municipal staff should also promote affordable housing initiatives and point residents to these resources. Some successful programs include.

- **Employer-assisted housing (EAH).** As the Metropolitan Planning Council states, EAH is “a proven tool that improves communities and benefits the employers that reside within them. Through EAH, companies provide initial financial assistance to their employees to purchase or rent homes in or near communities where they work.”<sup>77</sup> Some programs also include pre-purchase counseling and education. Ten municipalities in the metropolitan Chicago region have been offering EAH benefits to their employees: Chicago, Evanston, Highland Park, Lockport, Mount Prospect, North Chicago, Northlake, Riverdale, St. Charles, and South Holland.
- **Community housing programs.** These programs provide subsidized housing for low-income individuals. The housing itself may be owned by the government or may be rented from private landlords. In some cases, not-for-profit organizations manage and subsidize the housing.
- **Housing Trust Funds (HTF) and Community Land Trusts (CLT).** HTFs are a government source of funding for affordable housing construction and related activities. Under CLTs, the trust owns the land in perpetuity but issues long-term leases and allows for ownership of property on the land. Separating land ownership from property ownership can make housing more affordable.

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### CMAP, Metropolitan Planning Council, and MMC Homes for a Changing Region

Municipalities in the seven-county CMAP region can apply to CMAP’s LTA program for assistance to develop a sub-regional housing plan—called a Homes for a Changing Region report.<sup>73</sup> The report, which CMAP prepares based on analysis and community feedback, enables municipal leaders to chart future demand and supply trends for housing in their communities and develop long-term housing policy plans. The plans aim to create a balanced mix of housing, serve current and future populations, and enhance livability.

73 CMAP, “Homes for a Changing Region,” 2013. <http://www.cmap.illinois.gov/livability/housing/homes>.

74 Alejo, Berenice and Puente, Sylvia, University of Notre Dame Institute for Latino Studies, “Forging the Tools for Unity,” 2007:pages 12-15.

75 Ibid.

76 Ibid.

77 Metropolitan Planning Council, “Employer-Assisted Housing: A Pragmatic Solution for Communities and Employers,” Modified 2014. <http://www.metroplanning.org/work/project/8>.

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## Highland Park's Community Partners for Affordable Housing

The Community Partners for Affordable Housing (CPAH), formerly the Highland Park Community Land Trust, is a nonprofit dedicated to the preservation and development of permanently affordable housing. It was founded in 2003 based on recommendations made by Highland Park's affordable housing plan. One of CPAH's most important programs is its community land trust. The trust, which was the first in Illinois, has been extremely successful, developing and/or preserving over 55 units of permanently affordable housing and leveraging over \$8 million in public and private resources. The community land trust model has proven to be one of the best models for preserving and developing affordable housing, particularly in high-cost areas. The following is an overview of the program from CPAH's website:

"The organization acquires existing properties, conducts necessary rehabilitation work in order to minimize ongoing maintenance and operational costs, and then sells the homes only to low- and moderate-income households at an affordable price. CPAH retains ownership of the underlying land and leases the land to the homeowner for a nominal fee (currently \$25 per month) via a 99-year, renewable ground lease. The purchase price for the homebuyer is typically 20 to 65 percent below the market value because, in essence, the homebuyer needs to buy only the home, not the land. If the homebuyer later wants to sell their home, it is sold to another income-qualified buyer or back to CPAH at a formula price designed to give the homeowner a fair share of appreciation, while still keeping the home affordable for the next buyer."

**Develop and/or expand education programs for tenants and buyers.**<sup>78</sup> The best way to prevent cultural miscommunication and consumer protection challenges is for municipalities to develop, expand or promote existing education programs for tenants and buyers. Programs can address a range of issues from general pre-purchase education, to financial management, budgeting and credit repair, to predatory lending education.

While municipal staff may not have the resources to conduct workshops themselves, it is important for them to be informed on both the major issues residents face, as well as the resources that are available with third parties. Municipal staff should consider partnering with other municipalities, as well as the nonprofit and private sector, to provide training and outreach. Additionally, distributing and explaining materials, as well as hosting workshops put on by other organizations, can have a wide impact. Municipalities should strive to obtain pamphlets, ideally bilingual, explaining basic homeownership concepts and tenant and landlord rules, responsibilities, and rights. Municipalities can also update their websites and make sure the housing section is informative and user-friendly.



**Village of Addison community picnic.**

Source: Addison Police Department.

<sup>78</sup> Alejo and Puente, "Forging the Tools for Unity," Page 15.

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**Provide community mediation services to allow people to resolve conflicts.**<sup>79</sup> When conflicts arise between neighbors or between landlords and tenants, it is important to give involved parties the opportunity to resolve the conflict and remedy violations. Mediation is a very effective way of diffusing tensions and achieving conflict resolution without resorting to legal action. Municipalities should consider providing bilingual mediation services, or alternatively, providing residents with materials explaining the benefits of mediation and a list of organizations that offer bilingual mediation at low or no cost.

**Partner or consult with developers familiar with the various immigrant communities in a municipality to build for their lifestyle and cultural norms.**<sup>80</sup> Many immigrants come from countries where housing norms differ widely from American norms. For instance, some immigrant communities prefer and expect to live with members of their extended family or in multi-generational households. Municipalities should work with developers familiar with the preferences of the various immigrant communities to build housing that adequately meets their needs.

## Community Response Unit

The Community Response Unit (CRU) is a division within the Village of Addison's Police Department that works closely with the Community Development Department to address problems and quality-of-life issues that arise in the community. It monitors these issues to ensure that neglected properties or other nuisances within the Village of Addison are addressed as defined by Village Ordinance No. 0-09-03. Through an inspection grading system, landlords are given incentives to ensure people have safe and clean living conditions. The CRU also periodically checks on vacant properties, addresses lighting issues and abandoned vehicles, and monitors the loitering program.

The CRU administers the Crime Free Multi-Housing Program by educating rental property owners and managers on ways to keep drugs and other illegal activity off their property. As instituted by Village Ordinance No. 9-09-02, it is a requirement for all property owners and managers to attend the Crime Free Multi-Housing Class. This class teaches property owners and managers about the ways to establish a stable, more satisfied tenant base, increase demand for rental units with a reputation for active management, lower maintenance and repair costs, and improve safety for tenants and property managers. Every summer, the CRU and Park District employees hold several neighborhood watch parties.

## Fair housing promoters

To ensure equal access to housing options, the Latino Policy Forum engages and empowers Latino households through its Promotores de Vivienda Justa (Fair Housing Ambassadors). Promotores are community members recruited from local universities who are trained in federal, state, and local fair housing ordinances. They provide leadership, peer education, support, and resources for community empowerment. Promotores travel to various community venues, including Chicago's Mexican Consulate, to conduct workshops and provide information. Promotores empower the public with knowledge on fair housing rights and responsibilities and expand housing choices for all community members including Latinos.

<sup>79</sup> Ibid.

<sup>80</sup> Ibid.

